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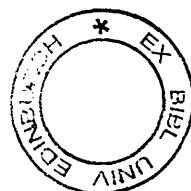
**Strategic Planning in Small Voluntary Sector Organisations in Edinburgh:
A Case Study Approach to preparing small charities to use
strategic planning models and tools**

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PhD

University of Edinburgh

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Acknowledgements

Many friends and colleagues have contributed greatly to my learning and research, culminating in this thesis. First, I must acknowledge and thank the six organisations that so willingly gave of their time and talents to work with me and allowed me to observe, interview and question everyone. They know who they are even though they have requested, for the sake of those whom they serve, that their exact identity not be disclosed. Also, I likewise thank the similarly anonymous pilot organisations that helped me to understand the questionnaires themselves and also provided valuable insights into their organisations as well. In addition I wish to thank all the other persons who allowed me to interview them to provide insight into the regulative and intermediary aspects of the voluntary sector. I also wish to express my appreciation to the School of Humanities and Social Science of the University of Edinburgh for their financial support for this research.

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Florence H. Grant
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Abstract

This thesis is a case study of six organisations and two pilot organisations to investigate the implementation of strategic planning in small charitable organisations in the voluntary sector in Edinburgh. The case studies utilised semi-structured interviews, observations and questionnaires on multiple occasions over a two-year time period. The data collected provided insight into the financial management systems utilised by these organisations and the training level attained by the financial person of each of the organisations. The findings supported the concept that the more developed the training of the financial person, the more developed the level of planning attained and the more complex the funding arrangements accessed by that organisation become. The research also supported the position that the barriers to planning were the same barriers that have been previously noted in the literature as indigenous to the voluntary sector: time, money, resources, and communication. In addition, the research developed evidence to support a listing of characteristics which are indicative of when an organisation is ready to plan more strategically. These include such items as a teamwork approach, knowing the staff and their backgrounds, knowing and planning for the training needs of staff, supporting the staff, and developing in the staff the feeling that they can talk to their supervisor. The research also developed that there are certain general characteristics, such as being aware of changes in the law, having, and being perceived to have, fair and up to date policies and procedures as being indicative of an organisation which is ready for the changes intrinsic in the implementation of strategic planning models involving continuous improvement such as the EFQM Excellence Model ®.

Although the organisations are not opposed to planning in general and strategic planning in particular, the need for survival by conforming to the requirements of funders takes precedence over longer term planning. Part of the impetus for this behaviour is the evocative behaviour of supporting 'the cause' for which they were founded. Frequently in the voluntary sector, 'the cause' also involves working with vulnerable groups of people. The limited progress observed in their strategic planning indicated that the period of time available for observation was too short and the measurements needed to be taken too soon.

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Chapter 1 Introduction

Section 1.1 General Introduction

According to government information, the £2.2 Billion annual income generated by the voluntary sector represents 4% of the Scottish Gross Domestic Product. (Scotland Development Dept, Voluntary Issues Unit, 2001). However the National Council of Voluntary Organisations (NCVO) website states that for the fiscal year 2001/2002, the voluntary sector made a "contribution of £7.2 Billion to UK Gross Domestic Product GDP" (NCVO, 2005). Thus the voluntary sector has significant economic importance to the country. However the body of literature that is available is "meagre" (Middleton, 1987:141), meaning that the voluntary sector has been under-researched. This thesis is to add to the understanding of this important portion of the economy by investigating certain strategic planning and quality issues, as listed in Section 1.2.

Kuhnle and Selle (1992) have defined a "voluntary organisation" as "an organisation that is neither part of government nor part of the private business sector" [cited by Johansson, 2003]. This definition states what the voluntary sector is not, rather than stating what attributes particularly define a voluntary organisation. Further, this Kuhnle and Selle definition does not provide guidance for classifying organisations that may be in more than one sector, e.g. a social enterprise.

More precisely, Reynolds, Elsdon, Stewart (1994) defined a voluntary organisation as "one in which individuals join together of their own free will, usually but not always for their own purposes (which may but need not be altruistic), and mostly but not always without any expectation of material benefit to themselves". This Reynolds, Elsdon, Stewart definition is the definition adopted for this thesis.

The voluntary sector is not the private sector. The private sector organisation has "a conventional 'bottom line.'" (Drucker, 1990) Moreover the private sector organisation is accountable to shareholders. In contrast, a voluntary sector organisation is mainly concerned with a cause; is concerned with the 'changed human being' (Drucker, 1990); does not have a conventional 'bottom line'; and is accountable to many and various people. Drucker (1990) expresses this accountability as having "relationships with a diversity of constituencies". (Drucker, 1990, p. xv) Because of being so different from the private sector, management of a voluntary sector organisation is also different. The voluntary sector management is complex and difficult with a mixture of paid and unpaid staff, full and part time workers, and the deep sense of commitment to the cause it has undertaken. (Drucker, 1990)

Even though these differences are substantial, basic concepts of management are nevertheless expected to be applied to the voluntary sector, as long as the implications of the differences are taken into account (Drucker, 1990). Further, according to Drucker, the people of the voluntary sector "know that they need to learn how to use management as their tool lest they be overwhelmed by it." (Drucker, 1990, p. xv)

One of the most basic concepts of management is planning for the future. In private sector business management, many tools, techniques and frameworks have been devised to assist in an investigation into the structure and balance of the organisation both in its current environment and in its implications for formulating a strategic plan for the longer-term future. (Courtney, 2002. p. 5) It can be argued that the voluntary sector organisation likewise needs to assess the current environment and to balance the current needs and concerns of its many constituencies as well as formulating a strategic plan for the future. (Drucker, 1990; Courtney, 2002)

Therefore, according to Drucker, many tools, techniques, and frameworks used as aids to investigation and planning in the private sector are also expected to be

used by a voluntary sector organisation if the tools, techniques and frameworks are properly adapted to the "distinct characteristics of the voluntary sector and its 'specific...needs' ". (Drucker, 1990) (See also Norton and Kaplan, 1996; British Quality Foundation, 2000; and Bryson, 1995) This expectation is based on claims by the authors of the tools and frameworks that they can be adapted and applied to all organisations in all sectors. (See British Quality Foundation, 2000; Norton and Kaplan, 1996; and Courtney, 2002.)

In addition to the general concepts which underlie all frameworks, there are several specific frameworks which are available for strategic planning. One of these frameworks is the EFQM¹ Excellence Model ®. (Courtney, 2002)

Underlying the EFQM Excellence Model are certain assumptions. These include the concept that it is the leadership that drives policy and strategy, as well as people, partnerships and resources, and that it is processes that will push an organisation to achieve excellent results in performance, "customers", people, and society. (British Quality Foundation, 2000) However even this concept assumes that an organisation that wants to engage in self-assessment also wants to improve, and moreover that it is willing to commit resources to systematically follow a routine for self-assessment and improvement.

An investigation by the National Council of Voluntary Organisations (NCVO) of the various available frameworks concluded that "the EFQM model could be suitable adapted for use by the voluntary nonprofit sector". (Courtney, 2002) Case studies on the website of NCVO provide evidence of use of the EFQM Excellence Model and implementation with large and medium size organisations in England. Therefore the logical extension of the NCVO investigation is to investigate the introduction and use of the EFQM Excellence Model ® in small charitable organisations in the voluntary sector.

¹ EFQM stands for European Foundation for Quality Management

As discussed above, the expectation is that the frameworks such as the EFQM Excellence Model ® will be adapted and used by organisations in the voluntary sector. However on 23 November 2005 David Cameron MP stated, "The problems you seek to address are the most entrenched. Hard to tackle with a rigid formula or some 'best practice' blueprint. The approaches you use are hard to judge with a box-ticking evaluation or management audit."(Cameron, 2005) These statements imply that meeting standards and using frameworks are not the way forward. (See also Courtney, 2002, pp. 30-34 for a discussion of both sides of the debate.)

The above paragraph provides a summary of both sides of the current debate. The next section presents this debate in the form of a basic research premise and auxiliary questions to be investigated. Further, the remainder of this chapter presents a further general introduction to the voluntary sector and the format of this thesis.

Section 1.2 General Overview of Questions

This thesis examines how valuable strategic planning in general is in small size charitable organisations in the voluntary sector. Specifically, the research examines various aspects of the small voluntary sector organisations to address whether the EFQM Excellence Model ® can be employed. The research also examines the readiness of the organisations to employ the EFQM Excellence Model ® or any other strategic planning tool or framework. To do this, the following propositions concerning the voluntary sector are addressed:

- 1) Are there extra barriers to planning in the voluntary sector not present in the public or private sectors?
- 2) Is there a relationship in voluntary sector organisations between the method of financial management used and the method of strategic planning employed?

- 3) Is there a relationship between the financial management system used and the amount and type of funding that is accessed by voluntary sector organisations?
- 4) Are there certain characteristics of small voluntary sector organisations that require the adjustment of available strategic planning models to adapt them for use by small size organisations in the voluntary sector?
- 5) Are there any characteristics of small size charitable organisations in the voluntary sector that reflect when an organisation is ready for change?

In order to address these questions, this thesis will initially describe the various strategic planning models which are available to organisations in the voluntary sector. It will then examine those models which have been chosen by particular voluntary sector organisations in order to determine how these models have been implemented by those organisations.

Section 1.3 Introduction to the voluntary sector

The common perception of the voluntary sector is that of a “volunteer”. This may be someone sitting with an older person, someone knitting sweaters for the hospital nursery of newborn infants, someone helping with a fund drive, someone pushing the trolley in the hospital ward, someone manning an information desk, or someone training a person in ICT (Information and Computer Technology). Thus the voluntary sector has many faces. The public perception of the voluntary sector is that it is exclusively, or at least mainly, made up of volunteers: that is, unpaid persons giving freely of their time because they agree with and believe in the basic values and objective of the charity. The public perception is that the organisation behind people in the voluntary sector is well-organised and following good practice.

However the voluntary sector has a large number of paid staff, as well as volunteers. A staff may be made up of both volunteers and paid staff. Any

member of staff may be full time or part time. A member of staff therefore could be a paid full time member or could be a volunteer full time. However, in addition, staff could mean a part time paid member or a part time volunteer. Finally, a member of staff could be paid for part of the time and a volunteer for the other portion resulting in full time work, but only part time payment. The Scottish Executive Strategic Review estimates that the voluntary sector in Scotland has one million volunteers and 100,000 paid employees. (Scottish Executive, 2005a)

In Scotland, as a matter of law for many decades up to 2005, certain of the voluntary sector organisations are recognised by the Inland Revenue as organisations having charitable status. This charitable status is recognised by providing the organisation with an identification number². However not all organisations in the voluntary sector are charities. Thus for example, Amnesty International is in the voluntary sector, but it is not considered to be a charity. (Amnesty International UK, 2005) The management committee/board of directors of all voluntary sector organisations is expected to be unpaid. (SCVO, 2005) It is noted that the law in Scotland is in the process of being changed and the payment of Trustees is the subject of debate. (Charities & Trustee Investment (Scotland) Act, Part 1 Chap 9 Section 66)

In addition, for the purpose of this research, the size designations of the voluntary organisations corresponds to the descriptions set forth in section 247 of the Companies Act of 1985, as it existed in 2002 when this research began. (British Companies Legislation, 2000). Under that legislation, a small organisation has at least two out of three of the following attributes: no more than 50 employees, assets of not more than £1,400,000, and turnover of not more than £2,800,000. This is the same standard that was and is used for the Financial

² Under Scottish law, charities are recognised. Under English law, charities are registered. Beginning in 2006, Scottish charities are being registered. In England under rare circumstances, trustees may be paid, according to the rules set out by the Charity Commission.

Reporting Standard for Smaller Entities of the accounting industry. (Accounting Standards Board, 2005; Pianca and Dawes, 2002, pp 34 - 36)

Section 1.3.1 Role of Government

In addition to funds generated by a charitable organisation's own activities and by charitable donations, funding often also comes from the local authority or from the Scottish Executive. The City of Edinburgh Council has a voluntary sector liaison office which maintains a list of organisations and groups which receive funding from the City of Edinburgh Council. (City of Edinburgh Council, 2005) Conventionally governmental funding has been one year at a time and, as a result, future planning could only be done on a yearly basis unless the organisation had other, more continuous funding available. (EVOC, 2002; Scottish Executive, 2005a)

However starting in 2002 changes in government funding for charitable organisations have been taking place with a policy of three year rolling funding being implemented. (Scottish Executive, 2005a) In addition, the public sector is now being required by the Scottish Executive to implement *Best Value* principles. (Audit Commission Best Value Task Force, 1999; Scottish Statutory Instrument 2000 Nos. 206 & 208) As a result of the implementation of *Best Value* principles, the attention of the public sector funders has turned to the voluntary sector inasmuch as the voluntary sector has been both a recipient of public funds and a service level agreement contractor. Thus voluntary sector organisations are also now being required to demonstrate *Best Value* and long-term planning. *Best Value* is a UK government programme of obtaining products and services effectively, efficiently, and economically. It includes a value for money aspect, as well as an "added value" aspect. The four parts of the *Best Value* process are designated as Challenge, Consultation, Comparison, and Competition. Moreover the longer term, strategic planning and implementation required by *Best Value* has taken various forms. (TQMI, 2000; Bush, 2001)

Section 1.3.2 Government Strategic Planning

The UK government itself has not directed how *Best Value* should be implemented by the public sector in Scotland. However, the City of Edinburgh Council has initially used the EFQM Excellence Model ®, and benchmarking, as its methodologies for implementing *Best Value*. Benchmarking is a tool for comparing practices and processes of any organisation to other organisations that are considered, by a consensus of organisations, as better at certain practices and processes. (See Ogden, 1998) Benchmarking also involves reviewing various ways of handling any process. The organisation then decides how to handle that process in their own circumstances.

As part of the process of implementing *Best Value*, the City of Edinburgh Council has introduced the EFQM Excellence Model ® to a number of organisations. In a previous study, this introduction of the EFQM Excellence Model ® and its relation to *Best Value* has been reported (Grant, 2001). However, as noted in that study, and elsewhere (Courtney, 2002), “rigour[ous] academic empirical research...is missing from the literature on strategy” in regard to small scale organisations in the voluntary sector. This research therefore undertakes to fill some of this gap with a longitudinal, case study approach to the funding, financial, personnel, and operational systems of six charitable organisations, in the City of Edinburgh, as they developed over the time period from 2002 through 2004. This research also seeks to identify the factors that these organisations have in common in regard to practical strategic planning. Thus an insight can be obtained into the questions and propositions that were set out in Section 1.2.

In 2003 the City of Edinburgh Council indicated³ that it is the employee area of the City's management with which it is most concerned. The City of Edinburgh Council is utilising *Investors in People* as a strategic planning tool to address this issue. For a further discussion of *Investors in People*, see Section 3.7.

³ Conversation with Janet McKenzie of the City of Edinburgh Council

The City of Edinburgh Council is continuing to pursue the strategic reviews required by the *Best Value* scheme. In addition, as part of their implementation of the overall strategic planning, the City of Edinburgh is simultaneously pursuing attainment of the *Investors in People* standard. These decisions by the City of Edinburgh Council have implications both for the organisations concerned and for their relationship to the City of Edinburgh Council. In particular these decisions had implications for the organisations participating in this research in connection with their future planning and their use of the various tools and frameworks.

Section 1.3.3 Implication to Voluntary Sector

The imposition upon voluntary organisations of the strategic planning concepts of a major funder has been considered by Bowerman (2003). Processes create routines that subsequently become institutionalised in the organisations. These processes will be discussed in Section 5.2.

Bowerman (2003) also notes that DiMaggio and Powell 1983 at p. 154 “observe that organizations will change to resemble organizations on which they depend for resources.” Such a change process may be coercive. Faced with an ambiguous situation, organisations will copy others (mimic). Thus, the EFQM Excellence Model ® itself can be employed as a means of imposing a particular strategic planning concept as a legitimate permission (normative change).

Bowerman concludes that central government needs to be aware of such coercive power and to be careful of how and when it is used. Further, local government, if it is in search of legitimacy, needs to be sure that any imposed change is well and truly a step on the road to a desirable destination.

In addition, DiMaggio (2001) has noted that there is a changing face for all organisations as the twenty first century begins to unfold. This is that networks

and alliances between organisations, as well as the fluidity of the personnel, make a picture of a future where previously held concepts are open to challenge.

As observed by Stuart Etherington, the Chief Executive of NCVO, "In these times of change and uncertainty, it is more important than ever to think ahead and plan strategically for the future." (Griffith, Wilding, and Jochum., 2005, p. 2) Quality models are therefore investigated in this thesis as a way of illuminating the use of strategic planning models to solve planning problems in the voluntary sector and as a way of providing insight into the validity of claims that models such as the EFQM Excellence Model ® can be employed by small, voluntary sector organisations.

Section 1.4 Structure of the Thesis

In Chapter 2, information on the voluntary sector and a review of literature concerning the voluntary sector is made in order to place the research in context. That context includes its demographics, environment, funding, management, stakeholders, resources and governance. This series of descriptions provides a background and insight into the voluntary sector's characteristics as differentiated from the characteristics of other sectors. The context also provides a broader understanding of the make up of the voluntary sector.

Next, Chapter 3 describes the various possible models and tools. The description of these models and tools provide a basis for comparing them and their relationships. Some models have main geographical areas of usage. Some tools are used either alone or as mechanisms for implementation of larger models.

Chapter 4 reviews literature and history of bookkeeping and of accounting. The history and background of bookkeeping provides a basis for understanding the rules, regulations and standards used to record transactions. Further, Chapter 4 contrasts the exacting nature of bookkeeping versus the judgements and

adjustments required by accounting. Finally the historical aspects will provide background for the rise of the yearly cycling of accounting and auditing. The pressures and rationales underlying accounting procedures, as well as concerns surrounding the accounting relationship in regard to the management of change, are intriguing. However the primary reason for including a discussion of bookkeeping and accounting history in this thesis is that the research on which this thesis is based is grounded in understanding financial changes in the organisations and the management of change.

Chapter 5 reviews literature covering management of change, and the concepts of quality and Total Quality Management (TQM). While the emphasis of this thesis is on the process of implementing strategic planning models, the very act of implementation of the EFQM Excellence Model, or any other model, encompasses implementing changes. Since part of the models includes financial aspects of an organisation, changes in the accounting/bookkeeping area of an organisation must implicitly be included as are changes in other areas such as governance and staff.

Proper, sensitive handling of such changes thus presumes an understanding of the relationship between bookkeeping and accounting, management of change, and the social actions of the organisations. As stated by Casson and George (1995) “a quality standard is worthless without a means of delivering it. Managers [should] look first at themselves for the cause of a problem.” Casson and George are of the opinion that “quality management is not Quality management, it is good management.” And that “good management requires first class management systems and first class management of people.”

Chapter 5 also contains an explanation of Institutional Theory which includes both neoinstitutional theory and institutional sociological theory. This explanation provides a basis for utilising Institutional Theory to explain the processes of institutionalisation observed during the research.

Chapter 6 then describes the design of this research and the methodology of the research including additional considerations and implications involved. An understanding of the reasoning behind the selection of the design and methodology forms a basis for understanding the actual research undertaken and the results obtained.

Chapter 7 explains the challenges and opportunities that occurred during the research. This chapter provides some background and understanding to the actual occurrence of the research and the implications of research attempting sensitively and sensibly to follow a plan.

Chapter 8 provides specific overviews of the case studies. The overviews provide a general sense of the organisations and their work in a thematic pattern to facilitate comparison and understanding.

Chapter 9 through Chapter 13 contain the results and findings on the five posited questions set forth in Section 1.2. These chapters provide the evidence obtained to support answers to the posited questions.

Chapter 14 presents the overall empirical findings including the longitudinal aspect. Chapter 15 is a discussion of the findings and analysis. This chapter begins to provide meaning and sense to all of the foregoing findings.

Chapter 16 summarises the conclusions of the research and identifies possible future areas of study concerning small size charitable organisations in the voluntary sector.

Chapter 2 Literature Review on the Voluntary Sector

Section 2.1 Introduction

In this chapter the distinctive characteristics of the voluntary sector and the demographics of the sector are described. This is followed by a description of the environment and the approach of the sector. The attitude taken in the literature to strategic planning in the voluntary sector is then reviewed as it relates to the environment. This literature review of the concept of strategic planning leads into Chapter 3, in which the models currently available to small charitable organisations in the voluntary sector are clarified.

Section 2.2 The voluntary sector

The voluntary sector has characteristics which make it different from the commercial sector and the governmental sector. Hay, Beattie, Livingston and Munro state that the differences include “commitment to organisational values, lack of market mechanism, ... difficult to measure objectives, chronic resource scarcity, and diverse stakeholder objectives”(Hay et al, 2001, p241). Armstrong lists the differences as being related to “values, commitment, governance, and strategic delinquency”(1992). Tonkiss and Passey add the concept of “trust” which is interpreted by the public and funders as the innate “goodness” of the voluntary sector (1999). The findings of this research will add evidence that, although the voluntary sector has traditionally been based on the concept of trust, the funders are now requiring that the confidence in the voluntary sector’s work must be based on verifiable evidence. Clutterbuck and Dearlove (1996) also list other differences which are not germane for the purpose of this particular research.

This research supplements the findings that it is the concepts of values and commitment which are emphasised by the voluntary sector. In the aggregate all these aforementioned differences of the voluntary sector influence the way in

which the voluntary sector approaches strategic planning. These findings are confirmed by the observations reported in later chapters. However the voluntary sector is far more complex than the differences, which are stated in the literature, would suggest. Recent literature, such as Pollak and Lampkin (2001), have revisited the concept of accountability in the voluntary sector and asked to whom the voluntary sector is really accountable and for what.

As previously noted, the voluntary sector is not a coherent body that is made up only of legally recognised organisations nor is the precise number of specific entities known. The Scottish Council of Voluntary Organisations (SCVO) [SCVO, 2003] cites approximately 50,000 organisations as being in Scotland in 2002. These include 23,000 active voluntary sector charities. Their areas of service include health care, social care, education and research, culture and recreation, and general charitable purposes and representation. In addition there is a discernible portion of the voluntary sector's organisations which work with ethnic minority populations. The Office of the Scottish Charity Regulator (OSCR) issued its first report and analysis in November, 2005. The thirteen page report is an analysis of returns as at 31 October 2005. Of the 26,000 organisations to which returns were mailed, 16,038 are in the analysis as active charities. (OSCR, 2005)

The SCVO web site notes that there are small groups which may band together without being recognised by the Inland Revenue as a charity. Such small groups may not belong to an umbrella organisation such as Edinburgh Voluntary Organisation Council (EVOC) or SCVO. Brown (1999) claims that mapping of such a complex and diverse area is complicated. Thus, voluntary organisations can be "non-profit distributing, non-statutory, autonomous and may be charitable"(Cook, 1997). They also have a voluntary management structure.

According to EVOC, most small voluntary organisations are made up of volunteers and have a very low level of income and expenditure. Slightly larger groups may or may not have an employee. When a member of staff is employed by a voluntary sector organisation, the employment law rules will take effect.

When an organisation has five employees, the pension laws and other provisions regarding employment become activated by the operation of law. However when a voluntary management is expected to supervise qualified professionals, the Committee or Board may feel “unwanted and powerless” (Bruce, 1995:83). Bruce also claims that committee or Board members may have “too little time to devote to the increasing complexity [of the organisation] and insufficient relevant knowledge and skills”. Nevertheless, even at this point, the organisations are counted as “small”.⁴ The seven organisations which participated in this research cover a wide remit of the areas covered by the voluntary sector. They ranged from all voluntary workers to all paid staff, with a majority having a mixture of paid and unpaid staff who responded with commitment to the basic values of the organisations. Although now slightly out of date, and reflecting the American perspective, Middleton (1987) reported that business executives who volunteer to serve on boards of voluntary organisations “described their five most common functions as fund-raising, establishing operating procedures, enlisting the support of others, budgeting and fiscal control, and balancing the organization with a different point of view.” Middleton noted that “these volunteer executives saw themselves as following the direction of staff, [and] not as leading the organization.” The effects of this dichotomy of understanding is lack of clarity, tension, and inconsistent notions. Nevertheless the voluntary sector is, as previously noted, in the estimation of the SCVO, the fastest growing sector in the UK. Measured by paid staff, the voluntary sector has grown to around 3.5% to 5% of Gross National Product (GNP) of the United Kingdom (UK) (SCVO, 2003). The SCVO website notes that 86% of voluntary organisations work in their local area and that there are 7.1 general charities per 1,000 people in Edinburgh. The OSCR report states that there are 2,730 charities in Edinburgh and that “5% of charities account for 91% of total sector income” in Scotland. More recently, NCVO (National Council for Voluntary Organisations) issued a sector almanac(2006) which confirms the size

⁴ All organisations with less than 50 employees are considered small by SCVO, the Companies Act of 1985, the accounting industry, and the European Union.

and shape of the sector. The most recent information was for the fiscal year 2003/2004. The income for most of the organisations is barely rising with inflation. Approximately 2% of the sector generate over two-thirds of total income. In fact the largest 14 organisations generate 10% of the income. On the other hand, 87% of the sector have incomes of less than £100,000 and generate less than 8% of the sector's income.

Bringing the debate closer to home, Vincent and Harrow (2005) find that a typology for "Britain" had a divergence between Scottish and English organisations' relations with government. This finding confirms the comments of the people of the researched organisations that Scottish organisations are different from English organisations.

Section 2.3 Funding sources

Funding for voluntary organisations may come from voluntary contributions, from the organisation's own activities, and from a local government council. The governmental funding might be at a level to sustain the organisation or it may be only for the purpose of providing an administrator/bookkeeper on a part time basis. Bruce suggests that supporters like the council can feel that they are being 'milked', or "bled dry", and are not appreciated or thanked for their support (1995:82). Also funding may be provided by various different departments of the government for various different specific reasons such as social work, recreation, and education⁵.

The Government funding may take the form of contracts for service delivery such as job training or social work support. For example, Section 10 of Scottish Executive funding takes the form of support for mental health and health services. Moreover both the local council provision and the Government provision increasingly require a written agreement with the voluntary organisation of expected outputs and outcomes. This can result in the

⁵ Based on researcher's review of financial statements of various organisations

government taking an increasing interest in the sector's infrastructure and work. The government may purposefully influence the governance of an organisation that is funded by way of the reporting and outputs that are required.

The Local Government in Scotland Act 2003⁶, which is in the process of being implemented⁷, requires local councils to use the principles of *Best Value*. *Best Value* is obtaining the best value for the money when comparing potential suppliers of a good or service to a governmental body. The principle has been defined by TQM International Ltd, a consultancy firm, as “one which establishes a duty to deliver services to clear standards – covering both cost and quality – by a balance of the most effective, efficient and economic means available, taking full account of equalities and environmental factors. It is a requirement which will need to be demonstrated by all Councils....”(1999). It is this definition of quality and the need for longer planning to confirm the continuing quality of the services provided in the future which drives the local council to obtain evidence from the voluntary sector in order that the reports of the local council can be prepared with confidence. Over 50% of councils in Scotland are using the EFQM Excellence Model® to implement this requirement. These local councils are therefore looking to the voluntary sector to also implement the principles of *Best Value*. The City of Edinburgh Council is encouraging longer term planning by providing for three-year commitment based on an accepted business plan. This allows the organisation to plan to provide the evidence needed by City of Edinburgh Council departments to document the *Best Value* reviews. As a supplement to the requirement of *Best Value*, the Government also announced Comprehensive Performance Assessment (CPA) in 2001. Within the *Best Value* framework, the Council needs to use CPA to “measure their performance” and as “a means to deliver improvements.” (Ward, 2003:6) However to make any

⁶ <http://www.scotland-legislation.hmso.gov...legislation/scotland/acts2003/20030001.html>, accessed 1 July 2003. The Act received Royal Assent on 11 February 2003.

⁷ The Local Government in Scotland Act 2003 (Commencement No.1) Order 2003 is Scottish Statutory Instrument 2003 No. 134 (C. 7) , <http://www.scotland-legislation.hmso.gov...legislation/scotland/ssi2003/20030134.html>, accessed 1 July 2003.

improvement scheme actually work requires training of staff. According to Bruce, the voluntary sector has been found wanting in this area (1993).⁸ Cook suggests that the need for training in the voluntary sector can be compared to training provided in the private sector (1997). The presence of this factor led to the research including a series of observations concerning the level of training and development provided by the organisations involved in this research. This involved investigating the attitudes of the staff and the level of training actually undertaken.

Section 2.4 Strategic planning environment

Confidence of the public and funders can be based on contractual agreements and arrangements. According to Bruce (1995:80-81), change in structural characteristics can lead to attitude changes that need attention. He advocates a marketing attitude that would balance the interests of the various stakeholders, supporters, beneficiaries and regulators. Unfortunately, as noted above, one of the characteristics of the voluntary sector is its lack of market mechanism. This relationship between lack of marketing ability and the use of models for planning is included in this study as well to clarify this area.

Section 2.4.1 Stakeholders

The fact that many relationships exist in the voluntary sector is well accepted. An example of this is the listing adapted from Bruce (1994, Table 3.1 Voluntary organisation customers, p37) of Beneficiaries, Supporters, Stakeholders, and Regulators as follows:

⁸ Bruce, Ian, "Charities face a critical deficit", *Management Today*, May 1993, p. 5. Note: The situation does not appear to have changed substantially in the decade since this article.

Table 2.4.1 Table of Beneficiaries, Supporters, Stakeholders and Regulators

Beneficiaries	Supporters	Stakeholders	Regulators
Clients	Donors	Staff	Charity Commission
Students	Volunteer fundraisers	Representatives of beneficiaries	Local authorities (inspection of homes, schools, etc.)
Patients	Voluntary service workers	Committee/board members	Tax authority
Users			Local community
Publics	Advocates		[OSCR]
Purchasers	Purchasers		
Local public members			
Audience			
Patrons			

Beneficiary intermediaries	Supporter intermediaries	Stakeholder intermediaries	Regulator intermediaries
Statutory providers	Church leaders	Staff managers	MPs/Congressmen
Statutory purchasers			Councilmen
Government referers	Company chief executives	Union representatives	Home Office
Commercial providers	School head teachers etc.	Committee leaders	Local councils
Family purchasers			
Policy makers			
Decision makers			
Other voluntary			

The many people involved may or may not have the same objectives. Several authors (Hay et al, 2001; Bryson, 1995; Billis, 1993; Paton and Cornforth, 1992; Tassie et al, 1996; and Clutterbuck and Dearlove, 1996) particularly note the “diverse stakeholder objectives”. Even if an organisation is aware of and understands its many objectives, the measurement of such objectives has been difficult - whether ‘hard’ or ‘soft’ measuring scales are used. In this research the diversity issue is investigated by asking who is involved in the planning and in providing many alternatives. A succinct version of a list of stakeholders is provided by Courtney (2002) whose Box 12.1 on p. 151 provides a typical list of stakeholders:

- Beneficiaries/service-users/clients
- Members
- Statutory funders
- Individual or corporate donors
- Staff
- Volunteers
- Board of management
- Agencies who refer clients or to whom the organization refers clients
- Regulatory bodies
- The general public

Section 2.4.2 Scarce Resources

The characteristics of the voluntary sector are further complicated by a ubiquitous and chronic resource scarcity (Clark, 2001; Ash et al.,2001)⁹. The

⁹ Ash, Angela, Lindley, Cath and Muphy, Eileen of Wales Council for Voluntary Action, *Good Intentions Aren't Enough: Introducing PQASSO in the voluntary sector in Wales*, 2001: 26. The largest barrier to quality cited by 59% of those surveyed was lack of financial resources, followed by communication (29%),

vast majority of the voluntary sector organisations are small organisations¹⁰. The 200 large organisations may be only 5% of the total but they have 67% of the assets and income. However such lack of resources is common to small and medium size enterprises (Yusof and Aspinwall, 1999). In that study the enterprises were in the private sector, but the same difficulty was determined to exist in the voluntary sector. McCurley and Lynch (1998:33) suggest that although organisations are usually “constrained by the extent of their financial resources”, “an effective volunteer programme frees organisations from some of these constraints.” While this attitude is prevalent, there is less recognition of the complexity which the scarcity of resources adds to the management and management style difficulties. This complexity is evident when staff who are not paid can “vote with their feet” by no longer coming and offering services. Yet the same organisation can also have paid staff who are expected to come and work under any and all circumstances. Management is therefore a difficult and complex area.

Section 2.4.3 Financial Resources

Another complex area is the handling of the financial resources that are available. As stated above, McCurley and Lynch (1998:33) suggest that organisations are usually “constrained by the extent of their financial resources”. In this research the staff and others were asked about financial reporting and the methods of recordkeeping utilised. In Chapter 4 this financial aspect of the literature and its implications for this research will be more fully explored.

lack of direction from management committee (28%) and staff/volunteer scepticism (27%).

¹⁰ www.scvo.org.uk and www.ncvo-vol.org.uk include statistics for Scotland and the UK respectively.

Section 2.4.4 Management

Mulhare advocates strategic planning as a management technique in the voluntary sector. (Mulhare, 1999:323-330) And that consultants “still endorse variations of [strategic planning] as best practice.” (Mulhare, 1999:323) However Conti (1999, pS454:10) suggests that for self-assessment purposes, organisations “should identify which model would best respond to the diagnostic aim and then adapt the model...”. No suggestions are made however as to where the organisation will obtain the skills to 'adapt the model'. Hayden points out that a balance between entrepreneurial leadership and participatory democracy results in a process that is transparent and systematic (1986:12-13, 329) and valued by strategic planning. However no suggestion is made as to how to obtain such a balance. Hansson (2001) and others state that “quality is as important for small organizations as it is for larger organizations.” However, as noted by Bryson (1999:xxii), “there are relatively few case examples in the literature of strategic planning by nonprofit and voluntary organizations.” He also observes that strategic planning and implementation constitute strategic management because the key is that planning is useless without strategic thinking and acting (1999). One empirical study is by Fredriksson (2004) in Sweden. The research was in a development area within a municipality. The level indicates the area was a middle class neighbourhood rather than a regeneration neighbourhood. Even so, the article could lead one to agree that strategic planning concepts such as The Big Picture or PQASSO might work better than The EFQM Excellence Model ® in the voluntary sector because those models are not too difficult or too academic. However whatever strategic planning concept is used, it must have system and method; must have training is confirmed; must have shared core values; and, as noted by Fredriksson on p. 10, “leadership of voluntary work is different, and ‘diplomacy’ is an important factor.”

Section 2.4.5 Regulations and Uniqueness

Burt and Taylor (2004) have noted the level of duplication of regulation and the high level of regulations applied to the voluntary sector. They define the “voluntary sector ‘persona’” as being a “collective and shared sense of value and mission”. They recognise that the sector is “expressive, creative, spontaneous and vital”. The new by-word is ‘sustainable funding’ but ‘better regulation’ is also required. By this they mean regulation that is “balanced to ensure [organisations] act responsibly without [regulators] being “unnecessarily burdensome” thru Regulatory Impact Assessments”. The article states that the five principles of good regulations are: proportionality, accountability, transparency, consistency, and targeting. An example cited to illustrate excessive compliance costs showed that 33% of a budget was incurred for “interpreters and speed-text typists *in case* they were required.”

Section 2.4.6 Governance

A final area of complexity for the voluntary sector is that of governance. Mayo (2004) has stated that “governance without accountability will not last”, responsibility needs to be aligned with authority, there are benefits to “difference and diversity”, there is “scope of the user voice in governance” and the “value of non-executive, or lay, members of boards” needs to be recognised. A more academic investigation into the question of board and governance, and especially failure and turnaround, observed that a member of a focus group said “governance fails when members lack a purpose” but the expert interpreted the real problem as being “general commitment to ‘mission not management’” and not enough emphasis on “processes needed to sustain good governance and management”. (Mordaunt and Cornforth, 2004:230) This article concludes that besides leadership and team working, “time commitment and emotional resilience” were required of board members. Also, during crises, board members need to be active and “take a very hand-on approach” (p. 233). Particularly important for this research, this same article notes that triggers for change can be “loss of a long-standing dominant figure” and “ *external pressure from funders*”. [*Emphasis added.*]

Section 2.5 Conclusion

This chapter has reviewed the literature concerning the voluntary sector and how it elucidates the questions cited in Chapter 1. The areas of funding, other resources, sources of funding, stakeholders, management, regulation, unique features and governance have been highlighted, especially as to the definition of a small scale voluntary sector organisation and its relation to implementing longer term strategic planning.

As noted in Chapter 2, the funding is transitioning from yearly to three year rolling funding. Also as especially noted, external pressure from funders can trigger changes such as planning.

Chapter 3 will look at specific literature concerning strategic planning, as well as the models and tools that are available.

Chapter 3 Strategic Planning Models and Tools

This chapter describes planning models and tools that have been put forward as available to the voluntary sector such as The Big Picture, Investors in People, PQASSO, Social Auditing, ISO 9000, Balanced Scorecard, Quality First, the EFQM Excellence Model ®, and CharterMark, as well as a self-assessment workbook and Scottish Quality Management System (SQMS). Strategic management versus strategic planning are compared and the various strategic planning schools of thought are described.

For purposes of this research, a planning model is a holistic framework for the entire organisation such as The Big Picture, PQASSO, Quality First and the EFQM Excellence Model ®. The planning tools described include Investors in People, Social Auditing, ISO 9000 and Balanced Scorecard.

Section 3.1 Strategic Management Schools of Thought

Mintzberg, Ahlstrand and Lampel (1998) look at ten different schools of thought [or ways of looking at the beast] and conclude that “in addition to probing its parts, we must give more attention to the whole beast of strategy formation.”(p. 373) There is, as pointed out by Elfrin and Volberda (2001:15), no single central paradigm in strategic management. They succinctly concluded “In our opinion, closer scrutiny will reveal much less variety and much more continuity in strategic management. Numerous so-called ‘new’ concepts are old wine in new bottles.”(Volberda and Elfring, 2001:xi) Even so, it is generally accepted that various approaches to quality exist such as the design school, the cognitive school, the planning school, and the learning school. The self-assessment models which have been discussed in this chapter pay little attention to the schools of thought of strategic management, but rather emphasise the integrative approach and the exercise of general planning in whatever way seems convenient and clear to the organisation.

Section 3.2 Background

Hopwood (1988) has stated that "Accounting systems change over time. However relatively little is known of the preconditions for such change, the process of change or its organisational consequences." In his text, the perspectives of change in accounts is reviewed and evaluated. Three examples of accounting change are discussed. In addition, a number of theoretical issues related to understanding the process of change are examined.

Hopwood places an emphasis on the diversity of factors implicated in accounting changes, including the constitutive as well as reflective roles of accounting and the ways in which accounting change can shift the preconditions for subsequent organisational changes.

According to Hopwood, accounting is not a static phenomenon. New techniques are devised for different and changing purposes. [For a current example see Section 4.7 about the SORP2005] Different emphases are incorporated into practices over time. Accounting changes can be implicated in creating very different patterns of organisational segmentation in his opinion. Moreover Hopwood states that "...the majority of conventional discussions of accounting change see it in terms of original reform and improvement. Accounting is changed in order to get better."(Hopwood, 1988:5)

On the other hand, Hopwood also has stated that there are "ways in which accounting has become implicated in, and, in turn, shaped by, the emergence of processes of organisational governance and management." Up to that time (1988) little consideration had been given to this aspect of organisations. However, in his estimate, consideration was now being given to this area. [For example, the current changes to Trustees' Annual Report occasioned by SORP 2005 and Charity and Trustees' Investment (Scotland) Act 2005 which received Royal Assent July 7, 2005.]

Even at the time of Hopwood's text, the role of accounting in setting organisational boundaries and creating organisations, as we now know them, was not fully understood, and the significance of accounting for the wider economic and social setting was even less understood. Little has changed in this area in the interval since Hopwood's text appeared.

There are "wider organisational and social origins of accounting as we know it." (Hopwood, 1988:4) and "...accounting can both be transformed by and serve as a vehicle for the transformation of the wider organisation" (Hopwood, 1988:52-53)

Band (1991) has recognised that inspiration, hard work and time are needed to change organisations and "change requires leadership". But he also states that "...this kind of commitment to service and quality is not just a nice frill; it is a necessity." Finally Band goes on to state that consumers "...desire 'real, intrinsic' value, as opposed to the appearance of quality..."

Earlier Niehoff (1966) suggested that the most important factors in the process of change are:

From the change agent's point of view:

- (a) the methods of communication he uses,
- (b) the kind of participation he obtains from the recipient; and
- (c) the manner in which he uses and adapts his innovation to the existing cultural patterns.

From the recipients' point of view:

- (d) whether they feel a need for the new thought or practice;
- (e) whether they perceive any practical benefit in adopting a change; and
- (f) whether their traditional leaders are brought into the planning and implementation of the process.'

Powell and Friedkin (1987) divide the area concerning change into “internal processes that lead to change and the external factors that contribute to organizational transformation”(p. 180). Their assessment of the cases in their studies concludes that “the original goals were not met. Instead, because of powerful external demands, the goals were supplanted by alternative ones *in the interest of organizational survival.*” (p. 190) (Emphasis added.) Glasby (2002) also suggests that internal systems, external environmental factors, and individual factors form the three dimensions for a complex model of organisational survival.

Section 3.3 The Concept of Quality

Definitions of quality can be located in many places in many ways. Some of such definitions follow.

'quality is what the customer says it is' (Jones, 1994:27) is one definition that has been used. Others have defined quality as "fitness for purpose". (Boaz and Ashby, 2003; Lyn, Ramsey, and Wood, 2003 among others).¹¹ Crosby (1996) defines quality as “conformance to requirements”. Cox (1998:10) states that the “official definition [is] ‘totality of characteristics that bear on an entity’s ability to satisfy expressed or implied needs’”. This particular definition relates to ISO 9000.

Crosby (1996) states that quality is not a separate effort from managing the enterprise. In his opinion quality doesn’t come from systems. “...Quality actually emerges from the management present[ing] policy, education, and their personal example.” “Making Quality Certain” means that the basics have to become part of the woodwork.

¹¹ A search of Google Scholar on 19 September 2005 yielded over 3,000 entries for “fitness for purpose”.

Schonfeld (1995:3) identified the components of quality as accessibility, relevance, quantity, effectiveness, and generalisation (i.e. Is the service seen as applicable to a wider population with similar needs?).

In Schonfeld's study, the customer is defined as a payer (i.e. funding agency); the user is defined as a user of the service; client or patient is defined as person or person and family. There are internal customers and users, but they are deleted from the study. Client is defined as families of service attenders which means the individual attendee is excluded too. These terms are not unique to his study but reflect the complexity of the environment in the voluntary sector when quality begins to be defined along with the implications of who will be the 'customer' who says what quality is. For in the voluntary sector Schonfeld observed that "...personal social services are not just provided *for* the client but also *with* the client." (p. 28)

As stated by Schonfeld, (1995:27) "If the service is not improving over time, the satisfied client of today will most certainly become dissatisfied tomorrow." This final observation brings out the reason for using a method of reviewing the whole organisation with a view to continuous improvement, such as the TQM, the EFQM Excellence Model ®, or a modified form such as The Big Picture, PQASSO, or others.

Others such as Adams (1998) disagree with the concept of using an "off the shelf" set of guidelines for quality improvement. Adams states that personal social services are too different from the rest of both the public sector and the private sector for such an approach. The underlying theme of the Schonfeld text is that the complexity of handling the various relationships precludes a master set of questions. However from the results of this research, it can be argued that the organisation has a basic set up, and then complexity and diversity develop, which necessitates adjustments to the overall basic framework. In the next section the background to using TQM and continuous improvement via

implementation of the EFQM Excellence Model ®, or other basic frameworks and tools, is explored.

Section 3.4 Total Quality Management (TQM)

According to Hellsten and Klefsjö (2000), “TQM is seen as a management system consisting of core values, methodologies and tools with the aim to increase external and internal customers’ satisfaction with reduced resources.” “According to Sinha (1997), TQM has a future also in third-sector non-profit organisations, since many processes are here characterised by waste, rework and unnecessary complexity.” (Fredriksson, 2004)

The Wilkinson and Willmott (1995) text is a group of contributions by separate authors engaged in an academic discussion of TQM. Their discussion is a critical discourse. Its importance is that TQM is the underlying basis of the Excellence Model®.¹² The editors note that they “have suggested that the literature on managing quality, and on TQM in particular, is distinguished by a normative thrust that largely excludes consideration of ideas and evidence that might challenge or qualify its assumptions and prescriptions.”(p. 15) The principles of quality management are critically questioned as to whether they are rationally based or are they more evangelical in nature? The idea of participation (e.g. Ishikawa, 1985) could be advocated because it is good in and of itself or because it promotes higher productivity. Hill in his article “From Quality Circles to Total Quality Management” (pp33 – 53) advocates TQM because it promotes sustained gains in productivity, responsiveness, and competitiveness. However he notes that in his studies the group responsible for quality gravitates to middle management. Baidoun (2004) uses an industrial context for his study. His paper identified critical quality factors for effective TQM implementation and confirmed the need for commitment, vision and mission, values and goals (objectives). The article also confirms that many

¹² Hides, Davies, and Jackson, (2004) also verify that TQM is at the heart of the Excellence Model.®

organisations are changing to a customer satisfaction orientation. Otherwise, it is not applicable as it is in an industrial context.

On the other hand Munro questions the basis for Hill's conclusion that middle managers have greater autonomy in his chapter "Governing the new province of Quality: Autonomy, accounting and the dissemination of accountability" (pp. 127 – 155). It seems Hill's suggestion is based on evidence supplied by the managers (their perceptions) rather than quantitative measures such as budgetary control. Munro considers this a fatal flaw in Hill's investigation. Munro states that his study investigates the "dark side" of delegation which is the intensification of accountability. TQM advocates decentralisation and delegation. (Ishikawa, 1985) However Munro suggests caution in delegation not becoming distancing ("No longer *my* business" p. 134). The role of accounting in controlling and management is suggested to be of high importance in TQM in that the numbers to be met are informed by the quality issues being addressed and are therefore critical.

McArdle et. al.(in their chapter "Total Quality Management and Participation: Employee empowerment, or the enhancement of exploitation?" (pp. 156 – 172)) look at the principle of participation which is a hallmark of TQM. They conclude that employee participation is good but needs to be overseen in such a way that the appropriate methods and goals are used and understood. TQM methods advocate that quality is the business of every employee and therefore the responsibility of each and every employee. It also advocates that each and every employee participate in decision making at an appropriate level in all areas. (Hill(1991a, 1991b) and Oakland (1989)) This is the basis of improvement committees being made up of employees from all areas and levels of the organisation. However Hill (1991a) further suggests that TQM affects infrastructure and therefore does not suffer the same effects as Quality Circles. Also TQM calls for teamwork and managerial support. TQM calls for individual responsibility and decision making – leading to individual job

satisfaction, but this article suggests that care needs to be taken that compensation is commensurate and employees are not exploited.

Boon, Arumugam and Hwa (2005) found a significant alignment of employees' attitudes toward job involvement, career satisfaction and organizational commitment to "soft" TQM. However they admit that "cross sectional data analysis cannot confirm the direction of causality implied in [the] research model, so it is necessary to be cautious..." The results from this research will provide some evidence concerning an insight into the direction of the causality. [See Chapter 14 for empirical evidence of attitudes based on the questionnaires and supplemental questionnaires.]

These general concepts, principally from the private sector, may be applicable to the voluntary sector but caution needs to be used inasmuch as some of the workers are not paid and their compensation takes many forms that people perceive as not being exploitive.

Section 3.5 Comparison of Planning Models

There are a number of strategic planning models, which have varying characteristics. A comparison was made by Yusoff and Aspinwall (1999) between an early version of the EFQM Excellence Model®, the Malcolm Baldrige Award from the United States, and the revised concept for the EFQM Excellence Model®.(Yusof and Aspinwall, 1999). The article suggests that both the EFQM Excellence Model revised concept map and the Malcolm Baldrige Award criteria are comprehensive models. Since much of the research reported is originating from the United States, it is important to have a cross validity of the strategic planning tools utilised. Yusof and Aspinwall (1999) indicate that their study was of small and medium size enterprises that were not in the voluntary sector. The article suggests that there are ten critical factors for successful implementation of quality in a small to medium enterprise. A critical factor is defined as "those circumstances or practices which already exist, or

those that need to be developed in ensuring the success of TQM implementation". (TQM stands for Total Quality Management and is the quality concept or philosophy behind the EFQM Excellence Model ®). TQM envisions the entire organisation being engaged in quality and continuous improvement, driving toward excellence. The factors include the use of the value chain as envisioned by Michael Porter (Porter, 1995[1998]) for both inside the organisation and external relations (Courtney, 2002).

Notable by their absence from the Yusof and Aspinwall listing of critical success factors are: (1) the customer focus and orientation; (2) governance and multiple relationship management; and (3) ethical considerations of shared values. These latter two factors are especially emphasised in the voluntary sector (Oakland and Oakland, 1998). In a study in Wales using PQASSO (Practical Assurance System for Small Organisations), (Ash et al, 2001:26)¹³ a listing of ten factors defining quality in the voluntary sector was made. Quality systems are defined by Cairns, Harris, et al (2005) as "performance improvement approaches that are focused on quality of management and services." It is also used as a generic term for implementing quality management, via internal mechanisms or established systems. "Quality transformation involves developing a new behaviour pattern that is reinforced by positive feedback." (Hamada, 2000:310)

The Quality Standards Task Force of the National Council for Voluntary Organisations (NCVO) prepared a publication which compared the choices of strategic planning concepts that were available (NCVO, 1998). These were: The Big Picture; Investors in People; Practical Quality Assurance System for Small Organisations (PQASSO); Social Auditing; ISO 9000 (International Organisation for Standardisation); and the European Foundation for Quality Management (EFQM) Excellence Model ®. In addition to these, there is also a

¹³ The QSTF [Quality Standards Task Force] newsletter, which was published quarterly, had case studies reported of the use of PQASSO. The Charities Evaluation Service in London produced this framework.

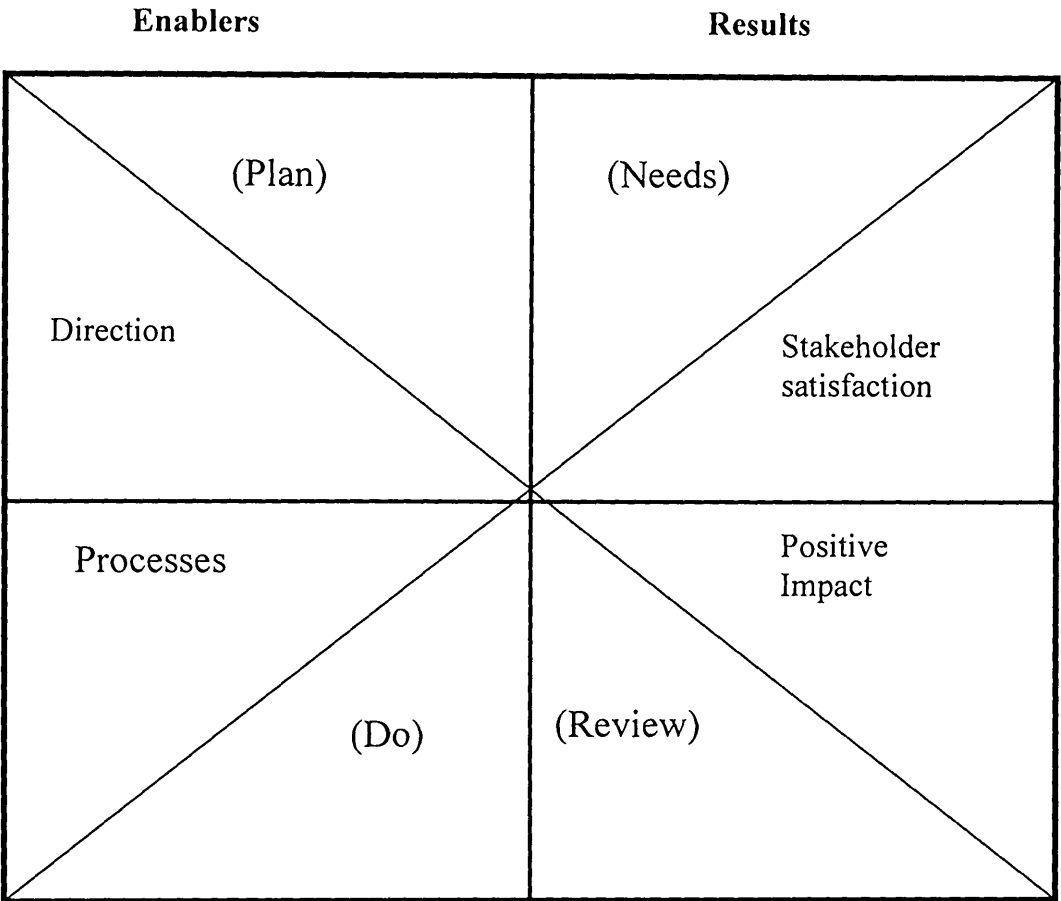
strategic planning tool known as Quality First. There is also a planning tool known as CharterMark which is designed mainly for the public sector, as well as SQMS which is mainly designed for training organisations. The following sections will describe these various plans and tools.

Section 3.6 The Big Picture

On 23 June 2003, the Scottish Executive sponsored the launch of the second edition of The Big Picture. The Big Picture is a strategic planning tool, designed by the SCVO, based on the EFQM Excellence Model ® and the principles of Total Quality Management (TQM). The underlying principles are stated to be Enabling results; Continuous improvement; Non-prescriptive; Questions, not answers; The value of practical tools; and Flexible. These principles are to convey the concepts that:

- Processes lead to results and therefore use of the framework enables results.
- There is always room for improvement and therefore use of the framework for questioning and learning leads to continuous improvement.
- Change and what is changed is unique to each organisation and therefore the framework is not prescriptive of what to change or how to change.
- Being non-judgemental, the framework assists in asking the right questions which need answering.
- To be practical, the framework is made for the voluntary sector to fulfil a need to plan that is used regularly.
- To be flexible, the framework is designed to be used in various ways, by various organisations.

Figure 3.6 Basic Figure of The Big Picture



The underlying cycle is to Identify the needs, Plan, Do and Review. This cycle closely resembles the cycle of the Model. The visual representation of The Big Picture is four boxes in a square with a diagonal line bisecting each box. (See above.)

The two boxes on the left are marked as Enablers and the other two boxes are marked as Results. The two Enabler boxes are designated Direction (Plan) and Processes (Do). The two Results boxes are designated as Stakeholder satisfaction (Need) and Positive Impact (Review). Within each of the four boxes there are six areas of concern called strands. Each of the strands now has a series of questions that an organisation is to ask itself as part of the self-

assessment process. There is also provided an opportunity for the scoring of each area of concern.

In the workbook which is utilized with The Big Picture each of the 24 strands has a two page area that includes a half a page of practical ideas, and a one quarter page set of linkages, i.e. “how changes in this strand can have implications for other strands.” While this second edition of The Big Picture still does not have a specific area for leadership, it does in many ways more closely resemble the EFQM Excellence Model ® than did the first edition.

The second edition continues to simplify certain areas. The organisation is given the opportunity to gloss over difficult aspects and prepare a self-assessment without a scoring mechanism for measuring. The Big Picture also has exercises that force the process of prioritisation and areas for change, once the areas are included in the process. In general a more physical, participative, collective methodology is emphasised rather than a quality department’s impression of the organisation being reduced to writing. If implemented fully, the process encourages continuous improvement and full scanning of the internal and external environment of the organisation. If only implemented lightly, areas could be missed out and the risk assessment opportunity unfulfilled.

Section 3.7 Investors in People

In a study of the Scottish voluntary sector, Cook (1997) stated that very few organisations were seeking quality standards. Of the organisations which were seeking accreditation, Investors in People was the most popular. In this research those findings were confirmed. Of the organisations that did seek quality standards that are recognised and that have a name or a badge, Investors in People is the most popular. In the case studies of the organisations participating in this research, three of the seven organisations had achieved the standard by the end of the research time period.

In the revised Investors in People Standard, there are nine areas to the overall standard divided into four principles. The four principles are commitment, planning, action and evaluation. The four principles are further broken down into 23 indicators in the nine areas. The emphasis is on the people of the organisation and how the organisation develops and improves its personnel. The need for a systematic approach to training and development, as well as appraisals and reviews (sometimes known as support and supervision) form the basis for the implementation of the standard. An example of the standard and its indicators follows in the form of the first six indicators.

"Principle one: Commitment.

An Investor in People makes a commitment from the top to develop all employees to achieve business objectives.
--

1.1 The commitment from top management to train and develop employees is communicated effectively throughout the organization.

1.2 Employees at all levels are aware of the broad aims or vision of the organization.

1.3 The organization has considered what employees at all levels will contribute to the success of the organization, and has communicated this effectively to them.

1.4 Where representative structures exist, communication takes place between management and representatives on the vision of where the organization is going and the contribution that employees (and their representatives) will make to its success.

Principle two: Planning

An Investor in People reviews the needs and plans the training and development of all employees.
--

2.1 A written but flexible plan sets out the organization's goals and targets.

2.2 A written plan identifies the organization's training and development needs, and specifies what actions will be taken to meet these needs." (McLuskey, 1999)

The requirements for evidence of such basics of planning as a business plan, written evidence of training and periodic appraisal, recognition by the Board of the costs of implementing such training and development, have led to the use of this standard as a quality framework rather than as a tool. Again, this tool requires a continuous improvement for retention of the badge that indicates active participation in Investors in People. Unlike The Big Picture, PQASSO, the self-assessment workbook, and the EFQM Excellence Model ®; Investors in People requires the expense of procuring an external assessor.

The process for acquiring recognition that the standard has been attained was as follows:

- Scottish Enterprise was contacted. Scottish Enterprise had already set aside funding to provide preliminary assessments for organisations in the voluntary sector. In this way Scottish Enterprise encourages organisations in the voluntary sector to attempt to attain the Investors in People standard.
- A person familiar with the standard, and paid by Scottish Enterprise, visits the organisation for observations and preliminary interviews. This may be one day or over a time period.
- A report is prepared to demonstrate the areas where the standard has been attained, partially attained, or more evidence is needed to demonstrate compliance.
- The report includes an action plan.
- The organisation reviews the report and decides when and how the action plan will be implemented.
- The person familiar with the standard may continue to be consulted as the processes of implementing the action plan progresses.
- When the organisation is prepared and the financing is in place, an external examiner is contacted. (The contact may be through Scottish Enterprise or through Quality Scotland.)

- A written report is prepared by the organisation covering each of the nine areas. This report is the organisation's assessment of how the organisation complies with the requirements of the standard.
- The external assessor arranges the day of the visit. The person interviews the Director, someone from the Board, several staff - paid and unpaid, and observes the organisation. In addition, the documentation needed to demonstrate that the organisation meets the standard is provided to the external assessor.
- At the end of that day, the external assessor again meets with the Director for an oral verdict that is then reiterated in a written report. In the case during which an external assessor's visit was observed, the oral report was that the organisation had met the requirements and was to be awarded the plaque for the wall. In addition, the logo would be allowed to appear on their letterhead for the next three years.

The process in the particular case which was observed extended over a six month time period. However, the preliminary assessment report noted that the organisation was 85% of the way toward meeting the standard before the process was begun. As can be observed from the questions ask, the criteria are capable of being ticked to show having the document or having answered the question. The underlying ethos of the organisation is not questioned.

Section 3.8 Practical Quality Assurance System for Small Organisations (PQASSO)

The Charities Evaluation Service in London produced this framework. The Second Edition was published in 2000. A cover letter from Charities Evaluation Service in 2004 states that "PQASSO is the lead quality assurance system in the sector". The twelve areas of quality identified are Planning for Quality, Governance, Management User-centred Service, Staff and volunteers, Training and Development, Managing Money, Managing Resources, Managing activities, Networking and partnership, Monitoring and Evaluation, and Results. There is

also a glossary at the end of the workbook. The basic premise is that the areas of quality are addressed at three levels. As the organisation improves, it moves up to the next level and asks a more in depth version of the questions. The third (highest) level is said to be closely related to the EFQM Excellence Model.® The suggested method of implementation is similar to the EFQM Excellence Model in that self-assessment takes place throughout the organisation. A basic difference is that the progression is to achieve a Level one in all areas (not simultaneously, but as able) and then proceed, if desired, to Level two in all areas (again, not simultaneously, but as able). Having attained Level two in all areas for at least a year, the progression would be to advance to Level three, one area at a time until all areas are attained. The underlying principles and values are stated to be equal opportunities and valuing diversity, valuing staff and volunteers, effective communication, and environmental and ethical responsibility. The idea that people are at the heart of the organisation is common to this and most other approaches to quality in service. Again, just like the EFQM Excellence Model ®, there is a virtuous circle of improvement and the requirement that evidence be the basis for making the assessment. Paton, Foot and Payne (2000) have determined that PQASSO uses the more mechanical approach of quality assurance. Whereas the Excellence Model is a modified version of the Baldrige Award from the United States, and is based on total quality management. Reiterating this finding, the workbook has questions that can be ticked off as having the document or having met the criteria.

Besides the printed workbook that can be photocopied by the organisation that purchased it, there is available for purchase a CD-ROM for performing the self-assessment on a computer.

A consultation is currently in progress in 2007 with a view to creating a third edition of PQASSO.

Section 3.9 Social Auditing

This tool requires the use of external assessment and external consultants. A report is created by the organisation. The report is to address questions in specific areas and how that organisation is fulfilling those requirements. The requirement centres around the organisation's relationship to the environmental and social capital issues. It does not address conventional managerial issues such as finance, processes, and key results. However Social Auditing does address issues such as recycling, valuing persons and their various contributions to the organisation, and caring for resources for greatest and best use.

Section 3.10 ISO 9000 (International Organisation for Standardisation)

The ISO 9000 has been revised to ISO 9000:2000. The ISO 9000 standard was originally intended to be used for production and as a means of creating a level of documentation. The origins of this standard are the factors and steps set up by Feigenbaum (1951 and 1983). Feigenbaum's model was based in a production environment. The expense of the system led to the concept of a written manual of policies and which formed the ground rules for, and means of, communication, i.e., ISO 9000. One aspect of Feigenbaum's work on quality involved the use of corridors of accuracy. This meant that values slightly more or less than the exact specification were acceptable as long as the range of values were all within the corridor of acceptable values.

Figure 3.10 Corridor of accuracy

Values on the middle line are exact and values in the area just above and below the middle line are acceptable. This is a form of quality control.

Values above this line are too high.

Values below this line are too low.

This ISO 9000 standard is based on the existence of a manual and checklists. The existence of the manual has been criticised in that such a manual did not mean that the procedures described in the manual are actually followed. Although the brochures suggest that the standard is applicable to all sectors and both services and manufacturing, all of the nomenclature and documents are geared to the private sector and manufacturing. Seddon (1997) has argued that “ISO 9000 encourages organisations to act in ways which make things worse for their customers” and “starts from the flawed presumption that work is best controlled by specifying and controlling procedures”, especially since “the standard relies too much on people’s, and in particular assessors’, interpretation of quality”. Tari (2005) researched ISO 9000 certified firms against critical factors for TQM and found that the certified firms need to implement some form of improvement programme to accomplish high levels of human resource management and high levels of continuous improvement. According to SCVO (2005), the voluntary sector is overwhelmingly geared to service. The ISO 9000 standard tends to have a bias to manufacturing.

In contrast, Cosby (1980) advocates that a culture of “zero defects” be instilled in the work force. Thus the cost of reworking and repairing is saved by doing the right thing, in the right way, the first time. Thus these processes result in quality assurance. (See Figure 3.13 on the development of the concepts of quality control, quality assurance, and total quality management over time.)

Section 3.11 Self-Assessment Workbook: Measuring Success

The Quality Standards Task Force (QSTF) has produced a Self-Assessment Workbook: Measuring Success.¹⁴ This workbook is in a very light form, which allows general questions to be asked of many persons with very little commitment of time or other resources. It could also be used as a lead in to the other tools that are available. Although the workbook can be freely downloaded from the Internet, the self-assessment seems geared to a light treatment of issues to be addressed. The workbook is available from the National Council for Voluntary Organisations website using the search tool for “self assessment workbook”. It is available as a PDF file or as a word document (over 1MB in size). This framework is freely available. It’s implementation and application is at the discretion of the organisation. Any part of, or all of, this framework may be utilised at a time. As is evident in reviewing the workbook, the organisation is able to tick off aspects that are answered and documents in place. The underlying theory and ethos are not questioned.

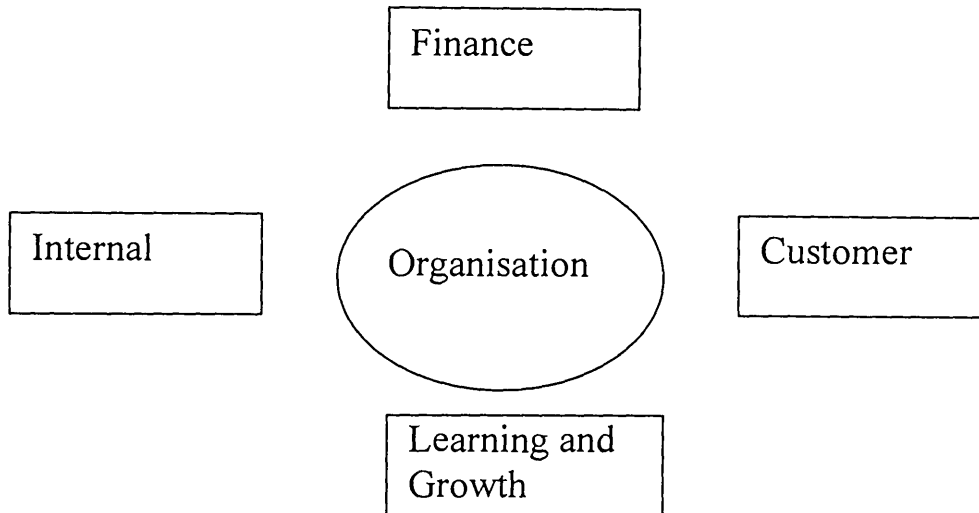
Section 3.12 Balanced Scorecard

The strategic planning tool known as the Balanced Scorecard of Norton and Kaplan (1996) was originally created to provide a management tool that involved both financial and non-financial aspects of an organisation. It requires an organisation to balance its objectives over the four perspectives of Finance, Internal, Customer and Learning and Growth. It does not define or question the leadership dimension. Within these four perspectives, organisations are to create twenty to twenty five measures. Norton and Kaplan expect many linkages to exist among the measures. The correct number of measures are said to be contingent on interdependency and context. (Voss, 2002) As stated in the text of Norton and Kaplan on page 8, the Balanced Scorecard presumes “skilled, motivated...participants”. However it is unclear where or how an organisation is to obtain the prerequisite skills and motivation.

¹⁴ Accessed October 2002 and July 2005 and attached as Appendix G.

A physical representation of the model would be:

Figure 3.12 Balanced Scorecard Representation



The authors of the Balanced Scorecard maintain that its use can lead the company to obtain feedback, which is communicated to the organisation to obtain better alignment of departmental and personal goals. The Balanced Scorecard is asking about ‘Why?’ and ‘How?’. The authors suggest that the Balanced Scorecard is a “communication, informing and learning system, [and] not a controlling system.”(p. 25) More recently the Balanced Scorecard has been expanded to form a framework encompassing leadership and continuous improvement (Kaplan and Norton, 2001). One organisation in the public sector has reported use of the Balanced Scorecard as a method of implementing Best Value. (Wisniewski and Dickson , 2001) Ruben (1999) makes a strong case for using the Balanced Scorecard in higher education.

No articles were located that reported voluntary sector organisations utilising the Balanced Scorecard. The limited structure provided by this mechanism means that the organisations are required to decide on the questions being addressed and then create the measurements for those questions. With limited resources in hand, the framework would be difficult to create no less implement.

Section 3.13 Quality First

Quality First (Farley, 2004) is designed for small, wholly volunteer organisations to perform a self-assessment in nine areas. The subtitle of this framework is "Quality assurance management for community organisations". This quality system originated with and was developed in conjunction with the Birmingham Voluntary Service Council. It was first published in 1999. Those areas are Purpose, Standards and Values, Managing, Involving our community, Working together, Equality and Fairness, Reviewing our Work, Financial management, and Communicating effectively. The self-assessment is at two levels. First there is the basic level. Then there are questions at level two, for when the basic level has been attained for over a year and the organisation wishes to move up. The intent is that the organisation attain all areas at the upper level as a way of preparing for hiring staff and moving up to PQASSO (explained above in Section 3.8) or The Big Picture (explained above in Section 3.6).

All of the sheets are expected to be photocopied. The originals are expected to be kept as masters for continuing self-assessment. Therefore a second folder to hold the photocopied sheets will be needed. An example is Quality Area 1, stating our purpose. On this sheet the statement at the top is "We will state our purpose clearly, for all to see, saying why we exist and what we hope to achieve and make sure this stays relevant to the needs of our community". The remainder of the page is devoted to explaining what this means and the evidence that may be used to reflect meeting the requirements. On the back of this page, the foregoing statement concerning the purpose is repeated. Beneath this statement, there are listed Level 1 and Level 2.

Level 1 states "'We are clear what services we are providing and why they are needed.' The following evidence shows we have:

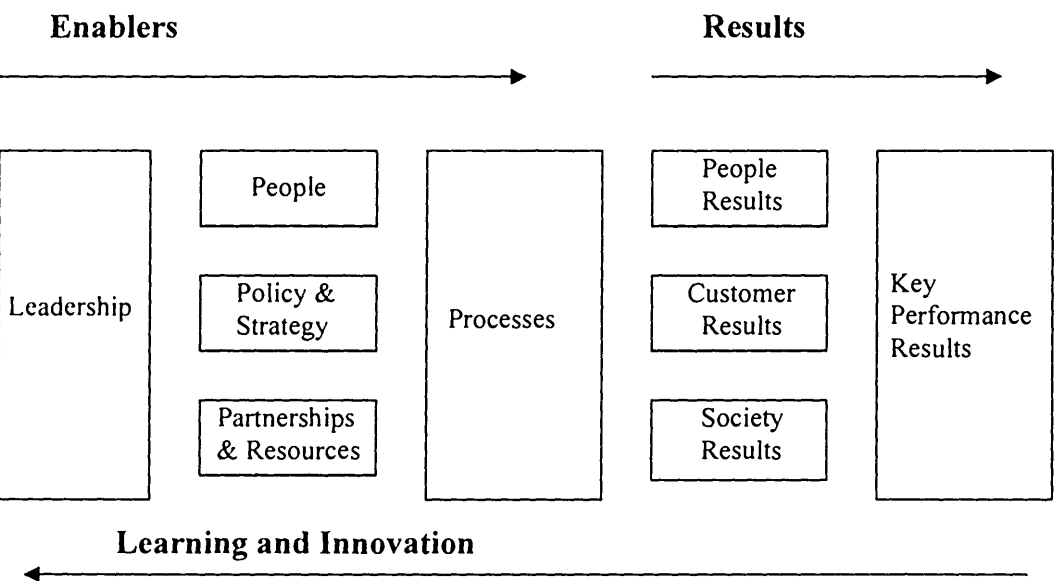
Clear aims, values and objectives for our services	Not met	Nearly met	Met
Identified our users, and what their needs are	Not met	Nearly met	Met
An action/ work plan for this year	Not met	Nearly met	Met

The first five areas of the EFQM Excellence Model ® (the Enablers) are 1) Leadership, 2) Employee capability, 3) Planning and strategy, 4) Financial and other resources and partnerships, and 5) Process and Procedures. The other four areas (the Results) are 1) Employee satisfaction, 2) Customer satisfaction, 3) Environmental Impact, and 4) Key Results. The nine areas are further explored using 32 questions which are each scored. Each question has suggested areas to reflect upon in setting the self-assessment score.

The expectation is that the four areas of Results will inform the creation of objectives by the leadership who then use plans and strategies to work with the employees and resources via processes and procedures to have even better results. The spiral of learning and doing is to lead to an environment of continuous improvement. As can be seen in the technical jargon involved in explaining this strategic planning model, the first difficulty is learning a language that is foreign to the voluntary sector. Also the language is more attune to the manufacturing environment than the service environment.

A physical representation of the EFQM Excellence Model ® follows:

Figure 3.14 Basic Figure of the EFQM Excellence Model ®



See Appendix F for more detail of the EFQM Excellence Model ® and excerpts from the brochure.

A sample of the areas and questions (EFQM, 1999) follows:

"1. Leadership

How leaders develop and facilitate the achievement of the mission, vision, develop values required for long term success and implement these via appropriate actions and behaviours, and are personally involved in ensuring that the organisation's management system is developed and implemented.

1.a. Leaders develop the mission, vision and values and are role models of a culture of Excellence

This **may** include:

- developing the organisation's mission and vision;
- developing and role modelling ethics and values which support the creation of the organisation's culture;
- reviewing and improving the effectiveness of their own leadership and acting upon future leadership requirements;
- being personally and actively involved in improvement activities;
- stimulating and encouraging empowerment, innovation and creativity e.g. by changing the organisation's structure, funding learning and improvement activities;
- encouraging, supporting and acting upon the findings of learning activities;
- prioritising improvement activities;
- stimulating and encouraging collaboration within the organisation.

1b Leaders are personally involved in ensuring the organisation's management system is developed, implemented and continuously improved.

This **may** include:

- aligning the organisation's structure to support delivery of its policy and strategy;

- ensuring a system for managing processes is developed and implemented;
- ensuring a process for the development, deployment and updating of policy and strategy is developed and implemented
- ensuring a process for the measurement, review and improvement of key results is developed and implemented;
- ensuring a process, or processes, for stimulating, identifying, planning and implementing improvements to enabling approaches e.g. through creativity, innovation and learning activities, is developed and implemented.

1c Leaders are involved with customers, partners and representatives of society

This **may** include:

- meeting, understanding and responding to needs and expectations;
- establishing and participating in partnerships;
- establishing and participating in joint improvement activity;
- recognising individuals and teams of stakeholders for their contribution to the business, for loyalty etc;
- participating in professional bodies, conferences and seminars, particularly promoting and supporting Excellence;
- supporting and engaging in activities that aim to improve the environment and the organisation's contribution to society.

1d Leaders motivate, support and recognise the organisation's people

This **may** include:

- personally communicating the organisation's mission, vision, values, policy and strategy, plans, objectives and targets to people;
- being accessible, actively listening and responding to people;
- helping and supporting people to achieve their plans, objectives and targets;

- encouraging and enabling people to participate in improvement activity;
- recognising both team and individual efforts, at all levels, within the organisation, in a timely and appropriate manner.

2. Policy and Strategy How the organisation implements its mission and vision via a clear stakeholder focused strategy, supported by relevant policies, plans, objectives, targets and processes.

2a. Policy and Strategy are based on the present and future needs and expectations of stakeholders

This **may** include:

- gathering and understanding information to define the market and market segment the organisation will operate in both now and in the future;
- understanding and anticipating the needs and expectations of customers, employees, partners, society and shareholders as appropriate;
- understanding and anticipating developments in the market place including competitor activity.

2b Policy and Strategy are based on information from performance measurements, research, learning and creativity related activities

This **may** include:

- collecting and understanding output from internal performance indicators;
- collecting and understanding output from learning activities;
- analysing the performance of competitors and best-in-class organisations;
- understanding social, environmental and legal issues;
- identifying and understanding economic and demographic indicators;
- understanding the impact of new technologies;
- analysing and using stakeholders' ideas.

2c Policy and Strategy are developed, reviewed and updated

This **may** include:

- developing policy and strategy consistent with the organisation's mission, vision and values and based on the needs and expectations of stakeholders and information from learning and innovation activities;
- balancing the needs and expectations of stakeholders;
- balancing long and short term pressures and requirements;
- developing alternative scenarios and contingency plans to address risks;
- identifying present and future competitive advantage;
- aligning the organisation's policy and strategy with partners' policy and strategy;
- reflecting the fundamental concepts of Excellence in policy and strategy;
- evaluating the relevance and effectiveness of policy and strategy;
- identifying critical success factors;
- reviewing and updating policy and strategy.

2d Policy and Strategy are deployed through a framework of key processes

This **may** include:

- identifying and designing the framework of key processes needed to deliver the organisation's policy and strategy;
- establishing clear ownership of the key processes;
- defining the key processes including the identification of stakeholders;
- reviewing the effectiveness of the framework of key processes to deliver policy and strategy.

2e Policy and Strategy are communicated and implemented

This **may** include:

- communicating and cascading the policy and strategy, as appropriate;
- using policy and strategy as the basis for planning of activities and the setting of objectives and targets throughout the organisation;
- aligning, prioritising, agreeing and communicating plans, objectives and targets;

- evaluating the awareness of policy and strategy...."

The other seven areas encompass the other twenty-two questions. Each and every question has a listing of the activities that may be included in that question or statement. After each question, the assessor is asked to score how well the organisation is progressing in this area of activities by the approach being sound and integrated, the deployment being implemented and systematic, and the assessment and review being via measurement, learning and improvement. Assessment is dependent on the subjective analysis of the assessor. As part of the assessment, the assessor is to ask how the organisation knows. That is to say, how much evidence is presented that the question and its suggested activities are actually occurring. The questions are theory based and require thought as to what and how is done at each step of each process and procedure.

Also the organisation is asked to improve. One way to determine the best practices is to collaborate with other organisations in a process of benchmarking. "Benchmarking can be defined as a tool for continuous improvement via the identification and sharing of best practice." (Ogden & Wilson, 2000) However "a high degree of commitment and interpersonal trust" (Ogden & Wilson, 2000) is required to achieve a successful benchmarking group of organisations.

A final aspect of the framework is the linkages between the areas. The brochures state that many linkages are expected to occur. That is to say that a well developed policy and strategy will be linked to a well developed processes and procedures area. (EFQM, 2001)

To acquire the training materials, at least one person from an organisation is to be trained in the use of the EFQM Excellence Model ®. That training as an internal assessor is available through Quality Scotland at a cost (in 2003) of £1,200, including membership in Quality Scotland. Up until 2004 use of the EFQM Excellence Model ® was not accredited. Only those who applied for the awards (and won) were able to place any marker on their letterhead.

On 1 January 2003 The 2003 EFQM Excellence Model was launched. During 2003 the materials and training were reissued in the “refreshed” EFQM Excellence Model version which gives “more prominence to Corporate Social Responsibility, Sustainability, Marketing, Governance, Flexibility and responsiveness, and Ethics + increased visibility of the Fundamental Concepts.” Also the language has been made clearer and less verbose. (British Quality Foundation, accessed 2 July 2005 and Quality Scotland accessed 2 July 2005)

On 10 December 2003 Quality Scotland had a special event to inform interested persons of the changes. There are now various entry points toward the Excellence Awards. The first one is called Commitment 2 Excellence. The first stage is to perform a self-assessment and set up an action plan. The second, and final, stage is to prove that improvements have been deployed as set up in the action plan. The external assessor should take one day. The cost is £2,100 plus VAT according to the website of Quality Scotland as accessed on 2 July 2005. The higher levels are Investors in Excellence and Recognised 4 Excellence. Above these levels are the Scotland Awards and European Awards. Those organisations that are assessed as having achieved Commitment 2 Excellence are allowed to use an insignia for two years. No further explanation is given but the implied assumption is that organisations would proceed to the other, higher levels as outlined above.

The fundamental concepts are Results Orientation; Customer Focus; Leadership and Constancy of Purpose; Management by Processes and Facts; People Development and Involvement; Continuous Learning, Innovation and Improvement; Partnership Development; and Public Responsibility.

The meanings of these concepts are further explained as follows:

- *The non-proscriptive framework supports many approaches.
- *The needs of the stakeholders need to be balanced to reach the targets.

- The customer is the final arbiter. (The term is meant to include all persons and entities that the organisation needs to satisfy; that is to say, the stakeholders.)
- The leaders set the tone and ethos of the organisation and provide clarity of purpose.
- *The processes and procedures need to be understood by everyone and the links clearly delineated in order to have systematic management and decision making.
- People development includes assuring “shared values and a culture of trust and empowerment” (British Quality Foundation, 2000:7)
- *Continuous learning and improvement is critical to maximising organisational performance.
- Organisations are more effective when collaboration and partnership relationships are pursued.
- Long term interests are “best served by adopting an ethical approach” (British Quality Foundation, 2000:7) that exceeds expectations and regulations.

The four items marked with an asterisk (*) have direct corollaries in The Big Picture underlying concepts.

Parallel to the cycle of The Big Picture (See 3.6) of Identify Needs, Plan, Do and Review are the EFQM Excellence Model’s logic of Determine **results** needed, Plan and develop **approaches**, **Deploy** approaches, and **Assess** and **review** the approaches and their deployment. As a marketing gimmick, the first letters of the five words in bold in the previous sentence spell out **radar**. Although stated, the ethics and the evocative elements receive little emphasis in the large amount of structuring. This is evident in the above excerpts from the two areas with the ten (10) questions or elements. The “Public and Voluntary Sectors” portion of one of the booklets is a two-page statement of differences and how they are overcome by using the EFQM Excellence Model®.

The procedure for implementing the EFQM Excellence Model ® would be as follows:

- The Board or other governing body would make a commitment to its use for the next three to five years as a framework.
- One or more persons are sent for training in the use of the EFQM Excellence Model ®.
- The training is cascaded to other people of the organisation.
- A team is established to plan the self-assessment approach to be used.
- A team is established to also receive training and practice in using the EFQM Excellence Model ®.
- The team educates and involves more of the organisation.
- A targeted message is broadcast throughout the organisation.
- The team collect data and perform the self-assessment. (Assess need)
- An action plan is formulated with priorities, responsibilities, and milestones. (Plan)
- The team and the rest of the organisation begin to implement the action plan. (Do)
- As a cycle, the team reviews the progress and begins again to develop the commitment to self-assessment. (Review) (EFQM, 2001)

In connection with implementation, Jackson (2001) suggests a number of do's and don'ts to heed as follows:

Do

Sell the concepts over the specifics of the model

Start simple

Integrate the EFQM excellence model

Allow everyone to be involved and experience the learning curve

Retain a high level of visible commitment and drive

Don't

Let it be another audit or paper chase

Get hung up on fitting initiatives neatly into a criterion

Spend time identifying reasons why the concept cannot be applied

Let your enthusiasm wane

Dahlgaard, Dahlgaard, and Edgemean (1998) "assumes that if core values are neglected in the policy deployment process, it will never be possible to achieve business excellence." They suggest that core values include respect, [mutual respect,] trust, responsibility and fairness. It also suggests that these core values coupled with competencies are extremely old and consistent across time and across cultures.

The EFQM Excellence Model ® has been perceived by the people of Delta to be theory based. It asks questions and asks in what ways the concept described by the question can be demonstrated. The answer is more complex, but also includes evidence. The self assessment methodology with a positivist orientation is assumed to lead to improved performance. The research of Paton, Foot and Payne (2000:32) states that "a constructivist perspective, as represented by institutional theory (Powell and DiMaggio,1991) and by various theorists of organizational process (for example Weick,1995) provides more useful concepts and insights." Also that self-assessment carries no guarantees. In fact, the process is complex. The concepts and implementation are subject to interpretation by each organisation in their own way.

As the above list and article are very general, their application to other frameworks and tools is evident. One such case is the CharterMark which is explained in the next section.

Section 3.15 CharterMark

Designed for the public sector, this tool was relaunched by the Scottish Executive and the British Government in 2003. The CD-ROM copyright is

December 2002. This web based self-assessment tool is available through www.chartermark.gov.uk. If 10% or more of the funding of an organisation is from the public sector (i.e. a local council, Scottish Executive, or a quango) then the voluntary sector organisation is eligible for CharterMark. This means that most of the charities in the current study would qualify, but are unaware of the opportunity. The information on the CD-ROM states that this standard is customer centred and that the six criteria are made up of twenty Yes or No questions as a start point. There is an expectation that the six criteria will be addressed and then an application made for external assessment toward being awarded a badge to put on letterhead. The six criteria are

1. Set standards and perform well.
2. Actively engage with your customers, partners, and staff.
3. Be fair and accessible to everyone and promote choice.
4. Continuously develop and improve.
5. Use your resources effectively and imaginatively, and
6. Contribute to improving opportunities and quality of life in the communities you serve.

An example of Criteria 1 in more detail is in Appendix G..

After each of the eleven elements in the three subcriteria of criteria 1, there is an area to self assess and to record information or references to documents.

Each area (criteria) has a contact person in the government to liaison and to assist the process. To assist in the comparative aspects, there is a Good Practice Database at www.benchmarking.gov.uk. That same website is noted as part of the above excerpt from the framework. Ogden (1998) notes that "Benchmarking is...about highlighting critical success factors and developing systems to improve" however "Attempts to encourage benchmarking must take account of ...differences [in organisations in the small scale voluntary sector]".

However the concept of comparing processes and procedures at other organisations with their own organisation and its processes and procedures is incorporated as a part of networking and working together.

Section 3.16 Scottish Quality Management System (SQMS)

This computerised framework was designed for training organisations. One of the organisations included in the research has utilised this framework for several years. Completing a section at a time on the computer accumulates the report. Different people complete different areas of the report. For example, the person responsible for health and safety at the organisation addresses that issue in the reporting framework, including the evidence required to demonstrate compliance. The questions asked include how the standard is met and how the compliance is audited. The recognition for achieving the standard is retained for three years at which point the external assessment is repeated. The external assessment ranges from one and a half to three days. The cost of the assessment is based on the time required to assess the organisation.

The IT based nature of the product and its trademark and copyright preclude extensive quoting from the system. The system includes questions concerning what the organisation does and how it does those things. It asks about governance and about values and objectives. The organisation then completes the boxes with replies. In addition, the "auditing" boxes are completed of how the information can be monitored and evaluated. There are also boxes to be completed concerning evidence available to prove the statement made. The evidence is then included in a notebook. For example the notebook may include the business plan, the marketing plan, the quality manual, the action plan, the statement of mission and vision, etc.

SQMS has, during 2006, begun the process of winding down its operations and its existence. It is more of an evidence based system that results in the production of a manual. It asks if something is done and the evidence for it. For example, the system asks whether there is a Business Plan. The answer is yes

and a copy of the plan is filed. As such it is an evidence based system of tick boxes. The underlying theory and ethos is not necessarily addressed.

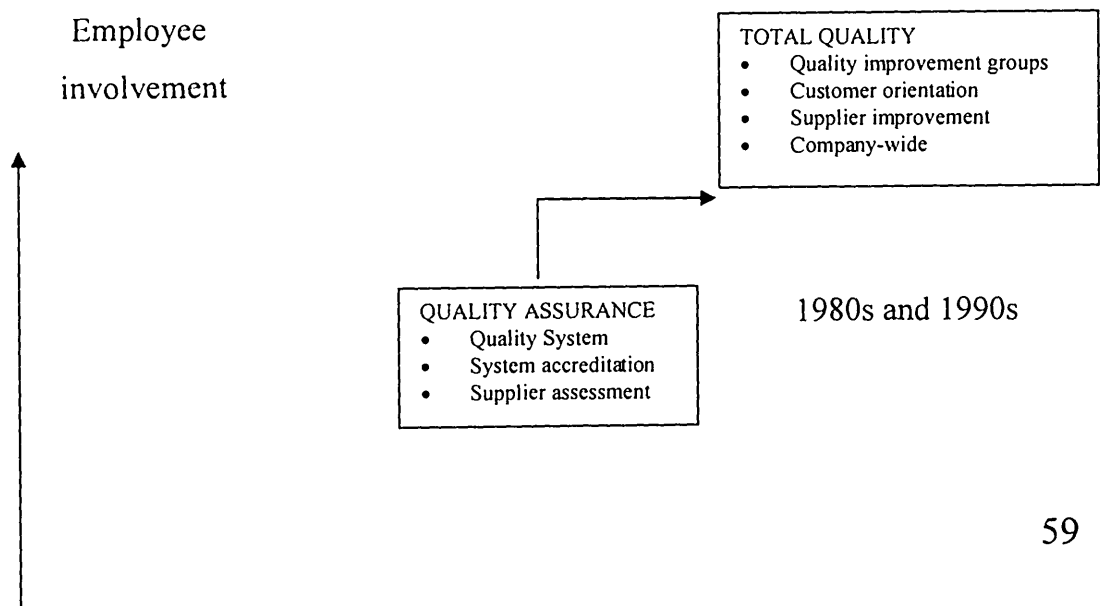
Section 3.17 Strategic management versus strategic planning

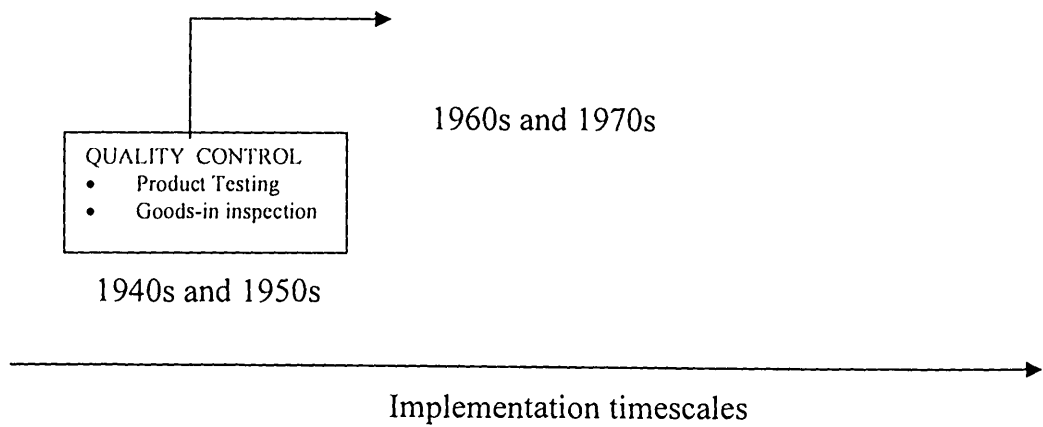
The idea of strategic planning is to add quality management. As noted by Kehoe (1996:ix,1) “quality management is a developmental process which requires an understanding of the techniques, the people and the system issues.” Thus “for most organizations and individuals who work within [the organisation] the only choice ... is **how** to apply the techniques of quality management, **not** whether to”

York and Itzhaky (1991) suggest client participation leads to more effectiveness in a quality management system.

The development over a long period of the concepts of York and Itzhaky, and of Kehoe, are reflected in the Figure 1.1 of Kehoe (1996:3):

Figure 3.17 Development of Quality Concepts over Time





As suggested by this figure, the changes in name and emphasis over time have generally increased the level of participation of the people of the organisation and the emphasis on the service to the customer/user/member. Current literature implies that, in addition, special attention should be paid to areas of computer implementation (Duchessi et al, 1993). This orientation would be in line with the change stated by Drucker (1989) as being from “nonprofit volunteer to unpaid professional”. The change requires that workers that are experienced train new persons and take responsibility. Also it requires that workers work even harder. However the article goes on to explain that training is also a continuing requirement. In this way the whole of the voluntary sector organisation will improve.

Goldsmith and Clutterbuck (1997:3) pointed out dichotomies which occur in strategic planning in the private sector. These include: “short term versus long term” and “controlling versus autonomy”. Goldsmith and Clutterbuck discuss the dichotomy between leadership and management being used. A leader is defined as one who motivates people to create and follow new objectives. A manager is defined as one who motivates people and administers resources to fulfil company objectives. Even though a leader may also be a manager, or a manager may be a leader, this dichotomy brings into focus some of the confusion experienced when assumptions are made about leaders and managers. Likewise confusion exists when discussing strategic management and strategic

planning. Planning in its most general sense may be short or long term. Management may also have an elastic time frame with longer times usually described as tactical or strategic. Therefore it is common for a certain degree of confusion to surround these various terms. This very confusion is off putting to the voluntary sector. The sector has many complex areas already (See Chapter 2) and it is unwilling to take on another sector's complexities and confusions, to add to its own difficulties.

Then there is the perspective of decision-making which works to limit choices, which follows from Goldsmith and Clutterbuck's original observation of common characteristics of successful organisations in the private sector. (1985)

Although dealing with the private sector, Goldsmith and Clutterbuck (1995) represent a more recent survey and one involving organisations in the United Kingdom in contrast to the Peters and Waterman 1982 survey in the United States. Peters and Waterman admit that they "didn't look extensively at small companies; our major concern was and is with how big companies stay alive, well, and innovative"(Peters and Waterman, 1995:22). That particular text therefore had very little applicability to this study. Courtney (2002) also surveys strategic planning and strategic management in the British context, but used large, well-developed organisations. However Courtney importantly does note that "what is missing from the literature on strategy in the voluntary sector ... is the rigour of academic empirical research (even with all the methodological difficulties of interpretation)."(Courtney, 2002:143) This research seeks to partially fill this gap.

One tool for organisational analysis is the McKinsey 7 S framework (Nicholson, 1995). This tool calls for an analysis of the strategy, staff, skills of staff, shared values, structure, systems, and style of management to determine whether the seven elements are synchronised. Unfortunately, it does not encompass: (1) the relationship management of suppliers; (2) continuous improvement and customer orientations; and other aspects of Total Quality Management (TQM).

Also it presumes the existence of a strategy and an awareness by management of the nature and characteristics of each of these seven elements. Strategy, structure, and systems are considered “hard” S’s while staff, skills, shared values, and style are considered the “soft” S’s. “Peters and Waterman 1982 In Search of Excellence popularised the model, arguing that the development of an analytically brilliant strategy was not sufficient for organizational success. To succeed, the implementation process was also crucial.” (Nicholson, 1995:514) Arguably a strategy and an intention to achieve implementation are insufficient of themselves. The readiness of the organisation and its people for the implementation of a strategy is also crucial for the implementation process to be successful.

Another, less well known, tool for analysis has been put forward by Kemshall and Ross (2000). A matrix is formed by putting Planning, Delivery and Outcome on the horizontal axis and by putting Appropriateness, Effectiveness, Acceptability, Equity, and Efficiency on the vertical axis. A matrix would be completed for each stakeholder group and then all of the matrices would be superimposed on each other and then discussed until a consensus is reached as to how to proceed. This tool would be most appropriate for a joint venture or special project between organisations.

George (1997) includes in his American text a series of 59 questions followed by a marking set of questions bringing the overall total to 77 questions. The main thrust of the text is to provide management and planning techniques to analyse and improve the organisation. However it is mainly geared to the private sector and based on the Malcolm Baldrige Awards. As stated in the text “It is not intended to replace a formal, documented assessment, but to provide a snapshot of your management system.”(George, 1997) Interestingly it lists on pp. 9 –11 an assessment of the characteristics of new leaders and the perceived roles of a leader.

Characteristics

- Curiosity (ask)
- Willingness to change (not coast or status quo)
- Sincere trust and belief in people
- Ability to listen and communicate
- Constancy of purpose (focus on shared vision)
- Patience, commitment, and tenacity. It builds integrity. It provides security.

Roles

1. Help create and communicate a shared vision
2. Facilitate empowerment
3. Focus the organisation on its customers
4. Produce results
5. Provide a systems perspective
6. Share information
7. Lead and institutionalise change

The expectation is that leaders lead by serving. According to Tanner (2005) “Leadership has a key role to play.” Many of these same concepts and ideas underpin the EFQM Excellence Model ® as well. There is also a great deal of mutual respect, trust and responsibility emphasised. Although written for the private sector in the United States, much of George’s basic premises are applicable to an organisation in any land. However adaptation and acknowledgement of complexity is required for implementation based on context. Because of the American slant and the limitations of time, this text was not used extensively. However it did inform the manner of presentation of the concepts.

Five ingredients mentioned by Crosby to assist an organisation are Policies, Operations, Systems, Communications, and *Integrity* (Crosby, 1984:8-9)[*Emphasis added*]. It seems interesting that one of the five basic ingredients is a basic value. The ethics and integrity of an organisation must be reflecting the

basic ethics and integrity of its people. Stebbing (1989) cites 8 Cs including commitment, co-operation, communication, capability, credibility, and *confidence [Emphasis added]*, all directed at the customer, and all leading to greater competitiveness. In this context, the emphasis is placed on confidence rather than trust. Rather than integrity or confidence, the basic value of trust is usually associated with the voluntary sector. This differentiation will be discussed further during the analysis of the evidence collected.

A unique insight into quality assurance is specifically directed to providing methods of evaluating the level of care of nursing in Sale's work (1990). Her premise is that you have to know the various methods of measurement and then decide which is most appropriate. She then looks at the various levels of work. One of these is the professional level which works *with* the patient. Another is the curative level which works *for* the patient (such as changing dressings, treatments, and other tasks). There is also the palliative level which performs actions *upon* the patient (who may be unresponsive or comatose). Sale suggests that "...accountability is the key to the formation of professional standards" but that authority and responsibility are also necessary.

The research for this thesis has identified similar levels of hierarchy in organisations as contrasted to levels of roles and responsibilities within such organisations. This concept is described further beginning in Section 15.17 where this finding and its implications will be explored in the discussion. It will also be part of the conclusions and areas for further research chapter of this thesis.

Sale (1990) adds that "whatever subject you become interested in, whether it be computers, gardening or a foreign language, [or leadership and quality], there will always be new terminology or jargon to learn." Her comment is a response to the criticism that the voluntary sector finds the language of the frameworks and the models of the commercial and public sectors difficult to work with. However nomenclature can be an easily available scapegoat for deeper barriers

to implementing strategic planning in small to medium size voluntary sector organisations.

Several American based books on quality and improvement (Bemowski and Sutton, 1998; Bryson, 1995; and Tague among others) note the difference between: resistance to change; support for change; sponsorship of change; and being a zealot for change. Although probably useful in the American context, they did not seem to contribute to the discussion flowing from this particular research project.

Section 3.18 General comments

From a very practical point of view, there is the article by Landry, Calton and Renner (2000) written for Certified Public Accountants (CPAs) by CPAs in the United States. It advocates the use of CPAs to assist nonprofit organisations to maintain strategic focus and integrate strategy with financial planning and management control. It suggests a strategic management model from Wheelen, T L and Hunger, *JD Strategic Management and Business Policy* 5th ed. 1996 Reading MA: Addison-Wesley Publishing Company p.10 be used. As an American model and not readily available to the organisation in the United Kingdom, details have not been included in this research.

In regard to the expense, the article suggests that the desired service output be agreed upon. Then determine how much this will cost – which then determines the level of revenue needed. If possible, participative budget preparation is recommended. However the article warns that this can take longer and, “if not focused, ...can become politicized and drawn out.”

Also available from the United States is Ruppel's text (2002:207)¹⁵ which advises to watch for 'unique operating characteristics that affect financial

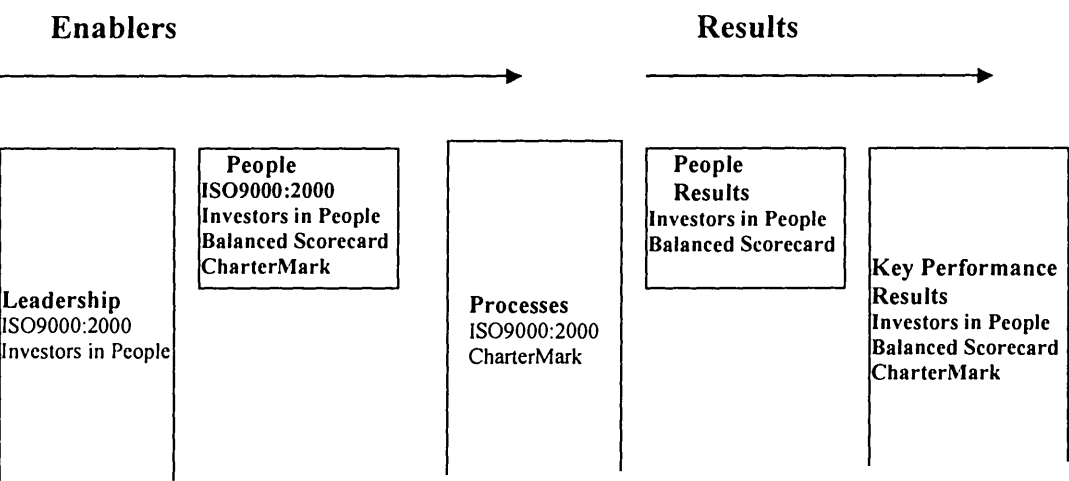
¹⁵ There seems to be no British text that discusses the 'unique operating characteristics that affect financial analysis' in the UK.

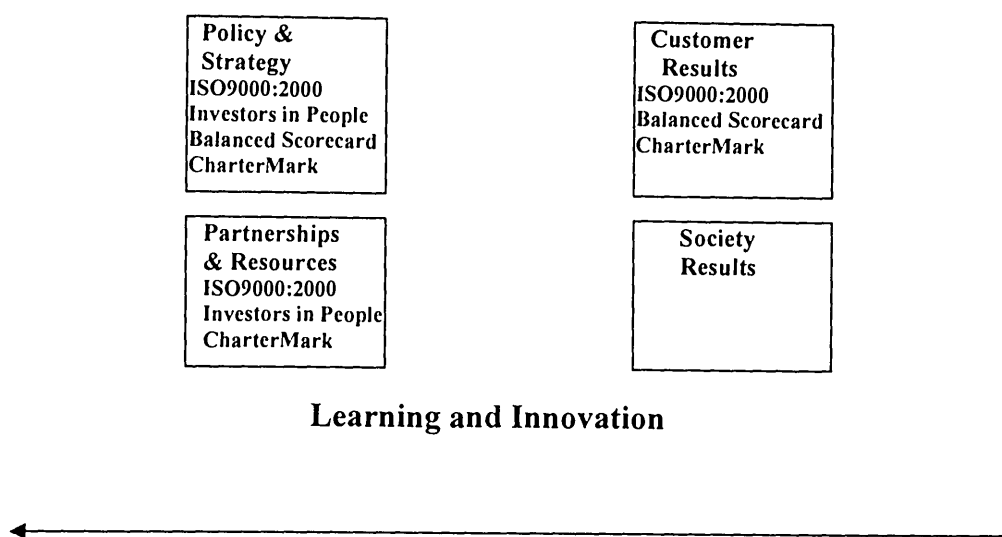
analysis', but then goes on to discuss the forms of audits available and the general analysis to gauge performance. The discussion includes numeric calculations to be made, but also judgements to be balanced. Although agreeing that judgements need to be balanced, current financial statement preparation leads to the calculations being used to correctly mark the place that an organisation has obtained rather than mapping the future.

Section 3.19 Relationship between various standards and tools

The various standards, models and tools have been compared to each other and mapped by a government agency in Scotland (Scottish Centre for Regeneration, 2005). Below is an adapted version of "how each of the elements of the Excellence Model relates to a range of standards and tools."(Scottish Centre for Regeneration, 2005: 22)

Figure 3.19.1 "The relationship between the Excellence Model and other standards and tools" (Adapted from figure 5 on p. 23)





As shown in this figure, the Investors in People standard has an affinity with much, but not all, of the EFQM Excellence Model®. ISO9000:2000 also appears in six of the nine boxes, but not the exact same ones as the Investors in People standard. Between the Investors in People standard and the ISO9000:2000 standard, eight of the nine boxes of the EFQM Excellence Model are incorporated in some way.

A further figure compares the strands of The Big Picture with The EFQM Excellence Model®, Investors in People and CharterMark as systems. A copy of that comparison follows. (Scottish Centre for Regeneration, 2005:23)

Figure 3.19.2 Comparison of The Big Picture with other systems

SYSTEM	EFQM Excellence Model	Investors in People	Charter Mark
<u>Strand</u>			
Direction			
Governance	*****	***	*
Purpose	*****	*****	*

Strategy & Policy	*****	***	*****
People Resources	*****	*****	*
Culture	*****	***	***
Legislation	***	*	***
Processes			
Planning	*****	***	*****
Managing People	*****	*****	*
Managing Money	*****	***	*
Managing Other Resources	*****	*	*****
Managing Activities	*****	*	***
Monitoring & Review	*****	***	*****
Stakeholder Satisfaction			
People We Help	*****	*	*****
Paid Staff	*****	*****	***
Volunteers	*****	*****	***
Funders	***	*	***
Partners	*****	*	***
Influencers	***	*	***
Positive Impact			
Strategic Outcomes	*****	*	*****
Financial Health	*****	*	*
Evidence of Standards	*****	***	***
Development	*****	***	***
Public Profile	*****	*	*
Impact on Society	*****	*	***

Strongest ***** to weakest * relationship

As shown in the foregoing chart, the strongest similarity is to the EFQM Excellence Model ® That is logical since The Big Picture is specifically based on the EFQM Excellence Model. As also revealed by this comparison, The Big Picture addresses issues of Funders and Influencers, and Legislation better than The EFQM Excellence Model ®. This greater emphasis by The Big Picture arises because these particular issues are more indicative of the voluntary sector.

Section 3.20 Conclusion

Chapter 1 included an overview of the voluntary sector a part of which was funding. Specific information concerning the voluntary sector was the subject of Chapter 2 including funding and finance. In Chapter 3 planning models and tools for assessing the whole organisation have been investigated. The origins of the frameworks and tools described in this chapter have their roots in the private sector. Some of the frameworks have been seen to have self-assessment in common, such as The Big Picture, PQASSO, Self-assessment Workbook, Balanced Scorecard, Quality First, and EFQM Excellence Model ®. Although the other tools and frameworks described in this chapter are externally assessed, the process began with self-assessment. This includes Investors in People, Social Audit, ISO9000:2000, CharterMark, and SQMS. The self-assessment process asks the organisation to understand all aspects of the organisation including funding and finance.

Because of the reporting requirements imposed by funders, organisations in the voluntary sector are being increasingly exposed to strategic management concepts. Public sector funders are transferring to the voluntary sector the requirements placed on the funders by the government and by private regulations, originating in the larger public sector and large private sector organisations.

With this background of roots in large, for profit organisations, the adaptation and implementation of tools and frameworks for use by small voluntary sector organisations raises questions of how and when such adaptations can take place. In addition, the capacity of the small voluntary sector organisation to understand and use these tools and frameworks must be questioned. One area of capacity in particular that must be questioned is that of the training and development of financial aspects of the organisations, as well as the financial management systems developed.

Chapter four emphasises only the financial aspect of the organisation. The recording of the financial transactions and the ability to organise that data meaningfully are important to understanding organisations and how they develop. Understanding the contrast between the exacting nature of bookkeeping versus the judgements and adjustments required by accounting aids in understanding the demands made of these organisations. Further, the whole area of bookkeeping and accounting will be clarified in order to provide an historical context for comprehending and developing the financial and information management systems of the organisations. Finally the historical aspects will provide background for the rise of the yearly cycling of accounting and auditing.

Chapter 4 Bookkeeping and Accounting in the Literature

Section 4.1 Introduction

In this chapter, a history of bookkeeping and accounting is provided in order to understand the various approaches to recording financial transactions in the voluntary sector. In addition, the methodology for construction of a financial accounting model is reviewed. Finally, the nonconformist nature of the voluntary sector and its approach to accounting and finance is discussed.

Section 4.2 History of Basic Bookkeeping

In late Medieval time, records of voyage accounting were being recorded. The ship and initial cargo would be financed and, at the end of the voyage, (usually three years, sometimes more) an accounting was made of all proceeds of the voyage, and the final disposition of the ending cargo. This process of recording the entries and keeping the books of account was subsequently reduced to writing in the form of a textbook. “The first Scottish book on accounting was published in 1683.” (Pryce-Jones, 1976)

Section 4.3 Significance

Some attention to the bookkeeping and accounting methods is necessary in order to thoroughly investigate the quality of the finances of small charities.

Section 4.4 Application to Charities

Jacobs (2002) stated that “Aid agencies rely on robust financial management to implement their life saving programmes and to ensure that they make the best possible use of every pound donated to them. But aid agencies rightly strive to spend as little as possible on management and support costs.” He further states, “The accountancy profession has a critically important role to play in the efficient and effective delivery of aid. It is a role that individuals and institutes can be proud of. In this context, maximising stakeholder value has an immediate and outstanding human impact. ”

Section 4.5 Additional Background

As economic conditions have changed from the 19th to the 20th Century, so financial recording was transitioning from record keeping to financial reporting.

This resulted in a move from stewardship, where a simple record of receipts and expenditures were sufficient, to financial reports being used as the basis of performance and resource allocation decisions. Furthermore there is now far more regulation by government, by the accounting profession, and by the Stock Exchange. This change is reflected in the Accounting Reporting Standard (FRS) 5 – Substance over Form.

Financial records need to be divided into equal time periods of one year for the purposes of reporting. Transactions near to the beginning and to the end of a period need to be allocated to either the former year, the current year, or the coming year. In addition, certain items that will be used over the entire life of the enterprise must be partially accounted for each year. Such usage is depreciation, and it can be calculated several different ways.

In addition to conventional receipts and expenditures, Hopwood (1986) has stated that management needs to address both problems of social and organisational control. Accounting was seen as a means to "penetrating the inner workings of the organisation, constructing a strategic visibility of the economic." Hopwood also confirmed that there were external origins for some accounting practices because of laws, price controls, rules, regulations, insurance, and other agencies. He said that there is an emphasis on the "accounts that organisations need and the technical accounting configurations that they must have... rather than on actual practice and actual contexts [which]...tend to be ignored". Neimark (1990) confirms this more complex interdependency stating that "...accounting and society aren't distinct and mutually exclusive."

Edwards (2000) states on p. 17 that

“Max Weber (sociologist), Joseph Schumpeter (economist) and Werner Sombert (historian) are leading academics who have argued that the facility which double entry [bookkeeping] provided for the

identification of capital and profit may have been a causal factor in economic development. An alternate claim is that double entry provided a more orderly and comprehensive scheme for recording and imposing control and thereby improved financial organisation and facilitated business development.

Littleton argued that there were seven preconditions for systematic bookkeeping which are:

- The art of writing
- Arithmetic
- Money as a medium of exchange
- Credit transactions
- Commercial activity
- Private Property, and
- Owner's capital investment

Arabic numbers had flexibility which in turn led to inaccuracies and error and they were more easily changed for fraudulent purposes.

However no better system of writing numbers has been devised and [Arabic numbers are] widely utilised in the Western world."

Edwards (1989) argues that while double entry bookkeeping was not a precondition for the development of capitalism, it did provide capitalists with a powerful tool for organising business activities and, as time went on, provided more precise indicators of business progress as the basis for resource allocation decisions. Precision gave way to judgements in order to provide a better basis for decisions.

Kitchen (1978:26) cites the case of *Newton v Birmingham Small Arms Co. Ltd* (1906) that 'The purpose of the balance sheet is primarily to show that the financial position of the company is at least as good as there stated, not to show that it may not be better.' [2Ch378; 22TLR664] This attitude is as true for a charity that wishes to husband its reserves as it is with Enron or WorldCom situations. Today's regulations and Commissions are vigilant.

Section 4.6 Quality Frameworks and Change

On page xxxiv, Edwards (1989) states that "Parker develops a framework of diffusion based on the role of 'change agents' and 'recipients', with the rate of adoption of a new accounting practice or innovation seen to be dependent on ... identified characteristics: relative advantage; compatibility; trialability; observability; and freedom from regulation. The relative lack of subsequent research in this area is a matter of regret." In Rosenberg (1970) these same characteristics are listed. Rosenberg's footnote states that the first five are derived from Rogers with Shoemaker (*Communication of Innovations*, 1971, New York: The Free Press of Glencoe, 2nd ed). The longitudinal study of this thesis and its observations will provide empirical evidence about the rate of adoption of change by the small, voluntary sector organisations participating in this study.

Mephram (1980:1) presents the following methodology for constructing a financial accounting model:

(1) Model Construction

Simplify problem into an abstraction of features into a formal structure.

(2) Systems Design

Design and maintain...procedures for the collection, recording, and processing of data to be used in the model in (1). Some models require an elaborate continuing system to support them, others require very little in the way of data input and consequently merely a rudimentary accounting system.

(3) Data Collection, Processing and Storage

"[The] process of collecting, recording and storing economic data...by means of the accounting systems [in order] to render it suitable as input for use in the accounting model."

(4) Measurement, Interpretation and Communication

Model [should lead] to a prescriptive report [or to]'informative' report to be interpreted.

Such a model was used as a basis of measuring the extent of development of the financial management and financial systems of the small charities in the

voluntary sector which are participating in this research

Hopwood (1985) suggested that one factor in deciding to implement strategic planning can be a questioning of legitimacy. "When the bases of organisational action are being challenged, when prevailing views of organisational purpose are being undermined, when significant groups start to interrogate and question the organisation on grounds different from those involved in its current functioning and when questions are asked of either the adequacy or appropriateness of its modes of operation, there is a tendency both for the organisation to account for itself by offering a more detailed and strategically directed explanation of its rationales, modes of functioning and consequences, and, where possible, for it to invest in the symbols and practices of the newly emergent rationality, seeking at least to conform outwardly to the newly articulated expectations for its behaviour and mode of operation."

This quote could apply today to the voluntary sector and its adoption of a model (such as Investors in People), accounting systems and other quality standards. However according to Wacht (1991) "For-profit firms and nonprofit organizations are inherently different and, hence, must operate with different sets of financial management decision rules developed within different theoretical frameworks." Therefore interpretation of accounting changes in the voluntary sector must be made in light of these established differences. Wacht goes on to enumerate and contrast the basic dichotomy as follows:

<u>For Profit</u>	<u>Non Profit</u>
Maximise shareholder wealth	Can't maximise stakeholder wealth & keep status
Market values easier to measure	Market values more difficult to measure of volunteers and gifts
Consumer to Owner is a transfer of wealth	Consumer and Owner are one and the same – there is no transfer no matter where the price is set.

If one considers a voluntary sector organisation is a “business”, it becomes a truism that “...most businesses don’t stay still for long. They either grow or they die.” “...To grow, you will face changes in the way you operate.” So “...don’t forget to look ahead” (Institute of Chartered Accountants in England & Wales, 1998 for all three quotes.) Therefore to some extent all organisations have to recognise and manage change.

Section 4.7 The Voluntary Sector as a nonconformist

However another aspect of the picture needs to be taken into account. Although written by Eucken (1951) to reflect the experience of World War II, the basic premise of caution when dealing with a controlling government is still true today. Proponents of history as 'events' tend to support a social science model in which history is treated as a methodical and rigorous discipline whose purpose is to test general laws by applying them to specific events. These general laws are defined elsewhere by economists, psychologists, and demographers. It needs to be recalled that historians are products of their culture and environment.

Moreover historians need a clear understanding of context. Thus it is normal for a scholar to bring some expectations to a topic. (Fleischman, et. al., 1996)

"Educational texts and manuals of consulting practice invest heavily in a quite homogeneous technical domain." [Unfortunately] "...accounting diversity, and the factors that lie behind it, largely remain hidden..." (Hopwood, 1986:1)

Mattessich (1996) cites various reasons why accounting research progress has only been moderate in the fifty years since World War II including the suggestion that "perhaps the political forces of specific interest groups defy any effort by academics to materialize truly meaningful and socially just accounting standards and accountability systems". Such comments speak directly to the attitude of the voluntary sector to accounting and finance - which has a tradition of being nonconformist and handling everything in its own way.

In considering this situation Kramer (1987:253) points out “Often there is a choice between the haphazard performance and uncertain quality of a small-scale, voluntaristic, community-based program and that of a larger, more bureaucratic professional organisation that may be able to provide better and

more consistent services.” Kramer also states that “[paid or unpaid volunteers] can exacerbate tensions” and that they “are no substitute for necessary services best delivered by professionals and other types of paid staff.” He concludes that “we have little information about the ...impact...on the quality, quantity, and effects on the clientele of a social service program....”

A Statement of Recommended Practice (SORP) means organisations can feel that they can ignore it unless, of course, an auditing firm audits them. Auditing firms are required to follow the SORP or explain why it is not being followed. (Accounting Standards Board, 2005) Since a turnover of over £100,000 per year is the legal point where an audit is required (Barker, et. al., 1996:126; *Charity Choice*, 2004), many charities only have their accounts "independently examined" rather than audited. The Office of Scottish Charity Regulator (OSCR) has now adopted a requirement that charities must submit an annual return with the first return due 30 June 2005. (Office of Scottish Charity Regulator, 2005) OSCR has also requested that financial statements accompany the annual return if the revenue or expenses of the organisation exceed £25,000. Even if an audit or qualified independent examiner can still be avoided by having both revenue and expenses of less than £100,000, a new SORP 2005 is being put in place. SORP 2005 was issued March 4, 2005 by the Charity Commission and applies for financial years beginning April 1, 2005 and after, but early adoption is encouraged. David Taylor, Charity Commissioner and Chair of the SORP Committee said:

"SORP 2005 further hones charity reporting within existing principles. It helps charities explain what they aim to do, how they go about it and what they achieve, pulling together narrative and financial reporting, into a coherent outcome-focused package."(Charity Commission, 2005)

The SORP 2005 includes changes to the Trustees' Annual Report and reemphasises the need for fund accounting and accurate revenue recognition."

Section 4.8 Conclusion

Understanding the origins and development of bookkeeping and accounting up to the modern day provides insight into the problems of financial development, financial systems, and financial capacity by the small-scale charitable organisations in the voluntary sector. Such questions formed an important part of the methodology used during this research both in the conduct of observations and in the preparation of questionnaires.

In general terms a voluntary sector organisation that was learning about planning tools and models, and assessing the strength of its financial management system, was also changing its processes and procedures toward improvements. In Chapter 5 change, management of change, quality, total quality management and the concepts of Institutional Theory will be addressed.

Chapter 5 Conceptual Framework

Section 5.1 Introduction

In the previous chapters, the literature concerning the voluntary sector has been reviewed, as well as the strategic planning models and tools available to the voluntary sector. In addition, a brief overview has been given of the background to bookkeeping and accounting.

In this chapter, the concepts of Institutional Theory, that are used to analyse the data, are explored and explained.

Just as Chapter 4 provided an insight into the financial questions and the adjustments question posited in Chapter 1, likewise an understanding of Institutional Theory will provide the basis for an analysis of the characteristics of organisations that are ready for change, as well as the more general area of employing strategic tools and frameworks to structure the planning undertaken. Thus an understanding will assist in the understanding and interpretation of characteristics observed and responses obtained during the research to questions concerning the attributes of small scale charitable organisations in the voluntary sector.

Section 5.2 The Concept of Institutional Theory

Many theories have been put forward to explain organisations. See Van de ven and Poole (1995) for four such theories for explaining processes of change in organisations. Also see Gann (1966) for change in the voluntary sector.

However one persistent theory has been utilised and developed over the latter half of the twentieth Century. That theory is Institutional Theory. Greenwood and Hinings regard Institutional Theory as "an explanation of the similarity ("isomorphism") and stability of organizational arrangement in a given population or field of organizations". (1996:1023) Further, on p. 1025 there is a reference to the fact that there are several variants to institutional theory.

Institutional Theory has been developed into new institutionalism and neoinstitutionalism. The creation and persistence of conditions at the organisations is predicted by neoinstitutionalism, as is the legitimacy imperative of imitating the funder's quality model. This includes doing whatever the funder requires to be perceived as a legitimate organisation and thereby worthy of being funded. As cited by Cairns, Harris et al,(2005), quality systems are adopted for many reasons. The influence of funders and the anticipation of adoption being demanded in the future are important. The influence may be currently explicit or anticipated as a method of "maintaining credibility and legitimacy: 'We knew that at some point smaller organizations would probably be required by funders to use a quality system'" They point to a "complex mix of...factors".(p.140)

As explained by Scott (1995), Institutional Theory usually has three pillars: Regulative, Normative and Cognitive. As identified by Scott (1995), "All of these elements [pillars] have been identified ...as contributing, in interdependent and mutually reinforcing ways, to a powerful social framework.". While the elements are distinctive, organisations have a tendency to emphasise one pillar as the main directive force; although the organisation itself may not articulate such preference. Nevertheless the main force element is identifiable. Therefore the attributes of each of the pillars need to be identified and understood, in order to identify the organisational actions with the appropriate pillar. This identification will enable the description of actions to be identified with particular pillars, and thus identify the main directive element for that organisation.

The Regulative pillar is identifiable by an emphasis on rules, laws, sanctions, and regulations and following standard procedures. Legally sanctioned coercive mechanisms are used, and compliance is based on the expediency of obeying the rules. Power systems and governance systems will be in place. This element uses a logic of instrumentalities and formal requirements.

The Normative pillar is identifiable by an emphasis on values, norms, and performance of duty in conformity with expectations. Under this pillar the organisation is morally governed by a social obligation to comply with

appropriate instructions that grant accreditation or certification. Authority systems and regimes will be in place. The governing logic of this element is the appropriateness of the actions.

The Cognitive pillar is identifiable by an emphasis on categories and typifications, and performance programs. Compliance is taken for granted as the organisation mimics the most prevalent practices. Usually this pillar is associated with isomorphism and identities. The logic of this element is the question of what is orthodox or culturally supported. Alternatively, the conceptual correctness is used as a basis of legitimacy.

Unlike the expectation of new institutionalism that the organisations be embedded in the field, sector or society, the small charities in this study are engaged in the local community as well as the wider field, sector or society. “Old” institutionalism has the key forms of cognition in values, norms and attitudes. With “the cause” at the heart of the organisation, this is consistent with the charitable organisations. This is not to say that the classifications, routines, scripts and schema expected by new institutionalism do not exist. Both old and new institutionalism “emphasize the relationship between organisations and their environments.” (Powell and DiMaggio, 1991:12) As pointed out by Mutch, Delbridge and Ventresca (2006:607) “the development of the field of organisation theory will benefit from self conscious and reflexive engagement and debate both within and across various research positions and traditions only if such debates are conducted on the basis of holistic evaluations and interpretations that recognize (and value) difference.” Although the literature review is reflecting the ever more complex nature of Institutional Theory as interpreted by different aspects of different disciplines, a clear thread of holistic explanation reflecting intra- and inter-organisational relationships may clarify the picture.

A diagram to more clearly show the complex nature of Institutionalism-New Institutionalism would be:

Institutionalism –Historical origins of concept post world

war II - Weber, Parsons et al

Sociology, Psychology, Anthropology origins

|(cause or emotional, intraorganisational)

|

|

New Institutionalism as conceived by various disciplines:

Economics

Political Science and public choice – rational, positivists
and International

History

Sociology

Organization Theory

(Interorganisational rationals, organisation level)

Neoinstitutionalism - more recent attempts to integrate the concept

These final two categories of Sociology and Organization Theory reject rational-actor and have a different meaning for the word Institution. In this context institutions are not just conventions but have more of “a rulelike status” (Meyer and Rowan, 1977)

Reading several other articles and books, the several variants to Institutional Theory and their application to research becomes clearer. As brought out by Weick (2000), "TQM assumes a realist ontology, ... a rationalist epistemology grounded in objectivity, ...and a change strategy based on facts". This article is based on TQM being a variant of Institutional Theory. However he also bases his position on the proposition that "sensemaking is a key activity when people try to enact a world where quality matters". (2000:155) The assumption implied is that a researcher has a focussed perspective that influences the understanding and sensemaking occurring at an organisation. Another way of expressing a researcher's perspective is a person's habitus. Hamada defines habitus "as the pragmatic reasoning schema that an individual quality researcher uses to make sense of reality. In plain English, we call it 'the feel for something', 'knack', or

'custom'. (2000:295) A reflection on the background and understanding of the researcher involved in this work elicits a statement that the academic background ranges from sociology and psychology to genetics, chemistry and physics, with more recent influences by accounting, law and management. The middle class, female origins also influence the prevailing attitude. This broad background leads to a less focussed, more open-minded approach to interpreting the activities observed and encountered. However the seven years of contact of the researcher before, during, and after the observations interviews and questionnaires involved in this thesis means that the understanding of the sector and the organisations includes a certain degree of habitus. Equally the vast amount of data thus requires a degree of focus as provided by the use of Institutional Theory in order to lead to a discussion and conclusion. The various aspects of the sensemaking such as a tendency to collect and analyse information and basing decision making on facts rather than intuition are augmentation to the basic three pillars of Institutional Theory.

As observed by Ostrower and Stone (2006), women are allowed more leadership and board participation in the nonprofit sector. Furthermore, "women [are] more likely to serve on the boards of smaller and less prestigious nonprofit institutions." (p. 615)

As confirmed by Weick (2000) the attitude of the people of the organisation is another key factor. As will also be discussed, the understanding of the concept of leadership can play a key part in understanding the organisations and their orientation. Other key factors include client focus and continuous improvement. Additionally, the impact of surprise and learning cannot be underestimated in view of organisations' tendency to 'know' their area of work and how to pursue it. The knowledge is institutionalised. On the other hand, although Schneider (2006) rightly points out the historical background of ethnography in sociology and anthropology, she also again notes the existence of researcher bias based on training and focus. She points to the existence of "organizing assumptions" (p. 415) and that although a "clear theoretical background" is helpful, the researcher must understand that the "theoretical background is combined with an expectation that theory may change through

study". She opines that research is "best crafted by researchers and agency representatives working together". A compounding complexity is brought out by Seale (1999) on p.38 when he quotes from Mislér, 1990:418 as follows: "...validity assessments are not assured by following procedures but depend on investigators' judgements of the relative importance of the different 'threats'...." An important point mentioned at p. 165 is that "...it is clear that Cornwell subscribes to the view that researchers can get past public fronts given sufficient trust." The quote is referring to the book written by Jocelyn Cornwell, 1998 'Reconsidering the research Process', published as *Hard Lives* which recorded her experience of doing her PhD. Her position was that first interviews gave public accounts. However with trust, interviews revealed private accounts. Upon reflection, the organisations involved in this research had had a relationship with the researcher that predated this research effort and therefore it is most likely that the interviews and observations do not reflect the public view. More probably, the data collected was all in the domain of private accounts. Seale "regards research as a craft skill..." (1999:17) which should use a 'fallibilistic' approach to qualitative research. Webster's dictionary defines fallibility as liability to err and therefore research should be approached as subject to error, that may be corrected later by further research. Even so, "it takes imagination and emotional tension to detach oneself from one's habitus, whether one is an outside researcher or an inside power holder." (Hamada, 2000:310)

Burrell and Morgan (1991) present a framework for ontology and epistemology. However their framework has limited application. As the framework is more deeply explored, the emphasis increasingly is on the sociological viewpoint. Talcott Parsons (1951) put forward "another candidate for an institutional pillar" (Scott, 1995:61). This pillar emphasizes "habits of the heart" as a guide to behaviours, evoking ideas - but also feelings and desires. This pillar has evocative as well as cognitive aspects. This is the pillar that the evidence gathered during this research indicates would best typify the voluntary sector. Regulations are followed and best practice is imitated. Likewise normative values and factors are also present, but it is "the cause" and the survival of "the

cause” that overrides all else. Parsons' (1956:63) position is that "an organization is analysed in terms of an institutionalised value system, above all defining and legitimising its goal" Further, the organisation as a social system has the "defining characteristic" of primacy of orientation to the attainment of a specific goal"(Parsons, 1956:64). He also describes external relations and internal structure that are derived from this. Parsons (1956:76/77) states that "authorization becomes particularly important at the policy-decision level. This clearly connects with the value system and hence with the problem of legitimacy. It concerns not simply the content of particular decisions, but the right to make them." In the Structure section of this article, Parsons (1956:81) writes that "loyalties, not [only] within the organization but within the society between collectivities [are] intimately connected with values. It cannot be only the values of the organization which govern, it must also be a higher-level value system since the individual cannot determine his loyalties to the organization only on the basis of the values of that particular organization...". In conclusion Parsons states that "the value system which defines and legitimises the goals of the organization" is one of four main distinguishing categories in classifying organisations. (Parson, 1956:238) This "institutionalised value system" as a concept has been renamed by Scott (1995), as stated above, as an Evocative Pillar of Institutional Theory. A further explanation of the theories and work of Talcott Parsons can be found in the treatise by Savage (1981) [especially pages 105 – 115] and the treatise edited by Black (1961) [especially chapter 6 by Henry A. Landsberger on Parsons' Theory of Identification, pages 214 – 249]. This evocative aspect is also explained as part of the “learned systems of meaning” identified by D’Andrade (1984).

DiMaggio and Powell (1991 and 1983) state that while Parsons may have gone “out of fashion”, he did not ask the wrong questions. The paradox is that both the arguments pointed out by DiMaggio and Powell and the arguments of Parsons are required. As admitted by Powell and DiMaggio (1991), Parsons as a functionalist grasped "enduring interconnections between polity, the economy, and the society"(p.2).

As pointed out by DiMaggio and Powell (1991:14) “the old institutionalism viewed organisation as organic wholes, [and] the new institutionalism treats them as loosely coupled arrays of standardized elements.” In contrast, these small charitable organisations perceive themselves as independent entities within the partnership arrangements of organisations: public sector, voluntary sector, and private sector alike. Therefore, the internal wisdom would say that the incremental developments are originating both internally and externally in a complex way, within a turbulent environment. Some aspects are homogeneous across the organisations and other aspects reflect distinctive differences. In contrast new institutionalism would perceive that the internal wisdom is mistaken and the developments are originating externally, but is only taken on if that process or structure feels comfortable to the members of the organisation, i.e., *as if* the organisation had originated the incremental development themselves. Besides making cognition central, the new institutionalism also signalled a shift in theoretical focus

<u>Old</u>	<u>New</u>
Object-relations	Cognitive theory
Cathexis	Ontological anxiety
Discursive	Practical Reason
Internalization	Imitation
Commitment	Ethnomethodological trust
Sanctioning	Ad hocing
Norms	Scripts and schema
Consistency and Integration	Loose Coupling
Values	Accounts
Roles	Routines

Powell and DiMaggio (1991) also provide a succinct summary of the variations in nomenclature between the old and the new institutionalism with Table 1.1 on p. 13 of the Introduction as follows:

Table 5.2 Comparison of Nomenclatures of Old and New Institutionalism

	<u>Old</u>	<u>New</u>
Conflicts of interest	Central	Peripheral
Source of inertia	Vested interests	Legitimacy imperative
Structural emphasis	Informal structure	Symbolic role of formal structure
Organisation embedded in	Local community	Field sector or society
Nature of embeddedness	Co-optation	Constitutive
Locus of institutionalisation	Organisation	Field or society
Organizational dynamics	Chance	Persistence
Basis of critique of utilitarianism	Theory of interest aggregation	Theory of action
Evidence for critique of utilitarianism	Unanticipated consequences	Unreflective activity
Key forms of cognition	Values Norms attitudes	Classifications, scripts, routines, schema
Social psychology	Socialization theory	Attribution theory
Cognitive basis of order		Habit, practical action
Goals	Displaced	Ambiguous
Agenda	Policy relevance	Disciplinary

In this research all of the above variations and differences are part of a holistic point of reference.

Although rational, organisations are composed of individuals each of whom are complex in their individual approaches. Collectively there is also a degree of copying and expected behaviour. However there is, especially in the voluntary sector, the archetype of 'the cause'. Each individual is in the organisation for their own reasons and have their own agenda. The narratives are at certain points characterised, but for the most part, provide a broader picture of the 'way we do things around here' as well as values and attitudes.

However ultimately the cause overrides all else. There is a need to 'keep the show on the road' as a precedence.¹⁶

¹⁶ The research wishes to thank Vic Stewart for this phraseology.

Burns (2000) utilises both institutional theory and the framework of power mobilisation for analysis. Although some elements of power mobilisation can be teased out of the case studies for this research, the teamwork and cohesiveness of the organisations' human resources made the use of a power mobilisation framework inappropriate for this research.

The concept described by Greenwood and Hinings as the "interplay of organizational context and organizational action" (1996: 1024) connotes the balancing of the internal and external forces on the strategies and improvements undertaken by the organisation. Greenwood and Hinings are joined by DiMaggio and Powell (1981) and Meyer and Rowan (1977) in emphasising the context of the organisation as a group of organisations in a field, as well as the network to which the organisation belongs. These larger contexts become an additional aspect for analysis. The importance of this aspect needs to be put in perspective however. As noted by Greenwood and Hinings, "some fields lack permeability (i.e. they are relatively closed to or not exposed to ideas from other institutional arenas.)" (1996:1030) Furthermore there is reference to the "role of intraorganizational dynamics in accepting or rejecting institutionalized practices [being] critical" (1996:1032)

Hornig and Huarng (2002) confirm the concept that there is an interplay between internal and external forces. Their position is that "a utilitarian identity acts like a business, and a normative identity operate like a social cause."(p.445) The normative aspect that they identify is the concern for customers/clients. This approach would appear to "fit" with both TQM and with the voluntary sector. This article concerned the adoption of the system rather than implementation. Helmig, Jegers and Lapsley (2004) also noted this separation between adopting and implementing.

The origins of Institutional Theory are in sociology but have spread to many different disciplines. The introduction in Chapter 1 of Powell and DiMaggio(1991) presents a more complete history of Institutional Theory.

One of the aspects of the Institutional Theory that is sometime emphasised is legitimacy. Legitimacy can take different forms in different contexts so that the clarity of the concept is muddled.

Jepperson (1991) differentiates institutionalised concepts by attributing a tendency to concentrate more on historical, organizational, and structural features rather than the orientations and preferences of the individual. A more collective, organised orientation is implied. His discussion contrasts Institutionalism and its explanations of phenomena to lower order descriptions and explanations that do not reflect causal relationships. There is a dichotomy of action and change to static or unchanging institutions. Jepperson (1991) states that institutions tend to preserve what is but are still related to action. The difference is not in the change or lack thereof, but in the way the development of change is understood. For example the leadership overseeing the development of the organisation over time into greater quality could be considered of a lower order. However the understanding of the intrastructural development in terms of the interorganisational relationships resulting in mutually causal relationships reflects a higher order understanding. A different approach is used by Glover (2004) to understand an organisation. In this case the narrative story is used to explore phenomena of importance and the sequence of their occurrence. Although appropriate in some circumstances, this research involved a discreet time period and the phenomena encountered during that time. Therefore the narrative was not used to structure and explain the organisations.

Helmig, Jegers and Lapsley (2004) conclude, "There is no body of economic theory underpinning [nonprofit organization] strategic choices." On the other hand, Institutional Theory has an economic perspective that is distinct from the sociological and/or anthropological perspectives. The perspective and approach in management is neither sociology nor anthropology. In addition, it is not exclusively economic. Management's perspective is a complex mix that changes over time as the palette changes from institutionalism to new institutionalism to neoinstitutionalism. Even so, the basic idea of the three (or four) legs of Institutional Theory has not changed.

More recently, Kirkpatrick et. al. (2005) state that “organisational structures and practices are said to both influence and be shaped by deeper, underlying values that are shared by organisational members.”(p 16) They go on to state that ‘this approach... link[s] with mainstream institutional theory’.(p 16) Dart (2004) clarifies the need to reflect on observations and responses from various viewpoints and contexts.

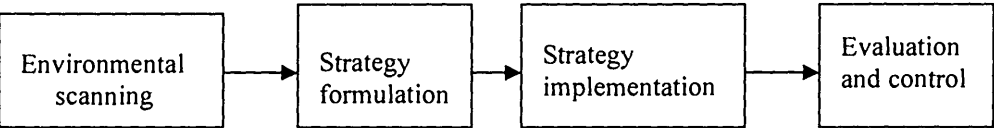
Agreeing with this approach and with the work of Parsons, but not ignoring the attention to other aspects of the organisation brought out by DiMaggio and Powell, Institutional Theory will be used to guide the analysis and discussion of the evidence obtained by this research. This is the conceptual framework used to analyse, understand and explore the data collected.

Section 5.3 Relationship of Strategic Planning Models to Management of Change to Institutional Theory

In Section 3.19 the relationship between (1) strategic planning tools and models and (2) self-assessment was put forward. In Section 3.3 the concept of management of change was introduced using the accounting area as a basis for understanding. Finally in Section 5.2 Institutional Theory and its processes of change was described. In the following section, the interrelationship between the three concepts is examined.

A strategic plan is formulated using the tools and models. The tools and models include self-assessment to determine what changes will be part of the strategic planning. However in implementing such a strategic plan, the organisation changes in a predetermined manner. That planned change is managed. The resultant managed change becomes a habit that, over time, becomes institutionalised into that organisation. This cyclical process is generalised by Trainer (2004:131, Figure 13.1).

Figure5.3 Trainer’s cyclical process model





Trainer (2004) describes various models and tools for strategic planning as a basis for encouraging the formation and implementation of strategic plans, in the particular context of higher education.

The higher education arena is also the context for (1) Bartell's (2003) discussion of change and strategic planning and for (2) Hansen and Borden's (2002) discussion of planning and institutional change. Higher education in the USA is the context for Kezar and Eckel's (2002) article on change and institutional culture and for Gumpert's (2000) article on change, decision making, and institutional pressures for change. Quality management systems and their effect on higher education institutions in fourteen countries is the basis of an article by Brennan and Shah (2000).

In a broader context Christensen and Peters (2003) discuss the relationship of Institutional Theory to the management of change.

The foregoing brief overview of the literature shows that the interrelationship among the three concepts has been noted implicitly, but the relationships have been explicitly discussed as two concepts at a time in the articles.

In this research the strategic planning using models and tools leads to change - managed, institutional change - based on institutional pressures. This relationship is more fully explored in Chapter 15.

Section 5.4 Conclusion

Chapter Five has provided an insight in the mandate for change in organisations and the management of that change. Accounting and bookkeeping not only change with changes in the environment but also have an effect on the organisation's environment. In the same way, all the other aspects of an

organisation change over time and the mechanisms of such change, with their attendant risks and risk management, reflect the fluid nature of change over time. The characteristics identified such as time and the leadership imperative guide an understanding of the results obtained from the research that has been undertaken.

In Chapter 6 the research methodology and its implications are described. Following Chapter 6, the findings will be presented in several chapters. These chapters will use the above defined and described Institutional Theory as the basis for analysis of the data.

Chapter 6 Research Design and Methodology

Building on the literature reviewed in Chapter 2 concerning the voluntary sector, Chapter 3 reviewed quality framework models and the EFQM Excellence Model ®. Chapter 4 reviewed bookkeeping and accounting. Chapter 5 reviewed change, management of change, quality, TQM, and Institutional Theory. Chapter 6 will review the design and methodology utilized for this research. Section 6.1 describes the process of selecting the case study research strategy and ascertaining the propositions to be answered. Section 6.2 describes and explains the methodology employed including action research of the case studies and its implications. Section 6.3 discusses the issues of internal validity, external validity, construct validity and face validity as applied to this research.

Section 6.1 Research Design

This section reviews the design of research and the implications thereof.

Section 6.1.1 Deciding on Case Study Research Strategy

As previously noted in Chapter 2, the voluntary sector has many facets, such as health care, mental health care, work preparation, service, teaching and training, and social enterprise. Organisations participating in this research were observed but not controlled by the researcher. The researcher did not endeavour to control the behaviours and reactions of these organisations to the contemporary event (in this case, the EFQM Excellence Model ® being embedded in the organisations). In this way, the research is capable of being objective in its viewpoint and in its analysis of the situation. Using Yin's *Case Study Research Design and Methods* (1994,p. 6), a case study research strategy was used since the focus is on contemporary events for which control over behavioural events was not required

[nor desired]. The research question can be expressed as a question of ‘how’ or ‘why’. The principal question is ‘*How well can the EFQM Excellence Model ® be employed in small size voluntary sector organisations in Edinburgh for strategic planning?*’. An ancillary, implied question is, ‘Why was the EFQM Excellence Model ® able to be used and embedded in these organisations [or why not]?’ In view of the various types of organisations in the sector, the use of a single case study approach using only one organisation would not provide sufficient insight to reactions in the voluntary sector to the EFQM Excellence Model ®. Therefore, a multiple case study approach needed to be employed. In this particular research, six case studies are used to provide a better developed, more rounded view. The range of participating organisations reflects the range of organisations in the voluntary sector as shown in the statistical section of the Scottish Council of Voluntary Organisations (SCVO) website. (See Appendix D) Between arts, social welfare/health related, learning and social enterprise, 95% of various organisational types are accounted for.

Section 6.1.2 Components of Research Design

According to Yin (1994, p. 20), the five components of a research design are “1. A study’s questions, 2. Its propositions, 3. Its unit of analysis, 4. The logic linking the data to the propositions, and 5. The criteria for interpreting the findings.” As used in this research, these are as follows:

Section 6.1.2.1 Question

The study’s question is ‘*How well can the EFQM Excellence Model ® be employed in small voluntary sector organisations in Edinburgh for strategic planning?*’

Section 6.1.2.2 Propositions

The three propositions arising from the study question are as follows:

(1) The level of financial systems and financial management attained compared to the level of strategic management development. This aspect was exploratory and therefore the use of theoretical and literal repetition is not necessary (Yin, 1994, p. 21). The purpose of this aspect of the study is to explore the assumption concerning financial systems. In this study the term Levels of financial systems means the degree of sophistication of the systems employed. Financial systems observed ranged from a low level [such as a manual cash book only]; to a modest level [such as spreadsheets for separate aspects of the organisation and tied to separate checking accounts]; to a more sophisticated level [such as using accounting software]; and finally to a highly sophisticated level [such as accounting software that uses categories to separately analyse different aspects of the organisation]. The level of financial management indicated the sophistication of the analysis of expenditures used by the organisation as a basis for making decisions. The degree of analysis ranged from using the balance in the checking account available [no analysis]; to a copy of the spreadsheet of expenses; to a classified spreadsheet compared to a budget [some analysis]; to sophisticated comparisons with explanations and analysis per department and per area of funding.

(2) The level of financial systems and financial management attained reflects the funding. This aspect of the study was exploratory. Funding ranged from a single small source, with no reporting or transparency issues, to very sophisticated systems of funding from many sources which require reporting using different fiscal years, the use of matched funding and parallel reporting to various grant providers. All of the foregoing funding then needed to be combined for financial reports to Companies House if the organisation was incorporated¹⁷ and to the Charity Commissioner, upon request, whether the organisation was incorporated or not¹⁸. Thus financial management system

¹⁷ Companies Act of 1985 as amended, Section 244 (See Keenan and Bisacre, 1999)

¹⁸ Confirmed by interview of Brian Logan, Director, Scottish Charity Office on 9 January 2003 [now known as the Office of the Scottish Charity Regulator]

analysis involved the financial management recording, the level of reporting, the interaction with the staff, and the interaction with the board.

(3) The degree of change in financial management between those organisations which received facilitation with strategic management and organisations which did not receive assistance. The theoretical repetition and literal repetition was accomplished by using six cases. Three organisations did not receive assistance in connection with strategic management. The other three organisations did receive assistance. The measurement of the change detected was an increasing degree of awareness by stakeholders of the mission, aims and objectives of the organisation over time. This was detected by using surveys and observation. Such type of trends in a longitudinal study can be measured and graphed. The graphs are then compared to provide insight. Since the six organisations involved represented various types of organisations in the sector, this created a cross section. Mordaunt in a 2002 article suggests that a successful organisation has a Board that 1) is aware of its responsibilities, 2) is transparent, 3) is aware of its level of capacity to solve society's ill, 4) is aware of its environment, and 5) is aware of its people. Included in the environment aspect is the level of demand for services and the level of funding available for those services. Included in the people aspect are the internal crises of personnel loss, personnel turnover, asset loss and cash flow difficulties. The article goes on to state that "Ignorance on the part of the board is a key factor...." "[M]any failures result from lack of awareness of, or failure to understand their responsibilities as trustees." Moreover organisations are "more vulnerable...in the early stages of the organisational lifecycle which may be a product of experience." (Mordaunt, 2002:150) In conjunction with this proposition is the auxiliary notion that **characteristics of organisations that are ready for change will be clarified** even if the change has not yet taken place. **Barriers** to implementing change can also be noted. In addition **adjustments** made to the models in order to accommodate the voluntary sector's special characteristics can be analysed.

Section 6.1.2.3 Unit of Analysis

The study focused on the organisation itself and not on its operations. The overall viewpoint was emphasised by interviewing management level individuals. The impressions obtained by semi-structured interviews were confirmed by using surveys of stakeholder groups in order to measure implementation of the framework. Verification of these impressions could then be obtained by observation. Triangulation can be accomplished in many and various ways. Baidoun (2004) used survey, semi-structured interviews and open interviews in his empirical study. Variations can be expected based on the context of the research. In this research, as explained above, semi-structured interviews, questionnaires, and observations were utilised. In addition, the organisations themselves provided various documents that they wished to make the researcher aware of.

Section 6.1.2.4 Logic linking data to the Propositions

Financial statements usually reflect the sources of funding. The observations made and the collection of documentation provided the necessary evidence. The surveys provided evidence of knowledge and perceptions. In addition the surveys were used to show trends.

Section 6.1.2.5 Criteria for interpretation

The criteria for interpreting the data was the degree of change (if any) over the period of study of an organisation in any of the above areas. The first Propositions used the EFQM Excellence Model ®. In addition, the comparative amount of time needed to conduct the interviews is used as an indicator. That is the interviews took a shorter amount of time to accomplish each time that the organisation better understood itself. Also the analysis of the individual answers over time provided evidence of change in insight and perception of the

organisation about itself. By using the six organisations, a cross section of the voluntary sector could be observed and studied. A second criteria for interpretation was the elements seen at the organisations that corresponded with the degree of change.

Section 6.2 Methodology and Its Implications

In this Section, The methodology applied and its implications are discussed.

Section 6.2.1 Methodology

This research applied the case study methodology by using a limited number of organisations that were studied in depth over time. Three organisations received assistance with strategic planning in using the EFQM Excellence Model ®. Each of these organisations was observed on several occasions and their directors/leaders were engaged in the semi-structured interviews periodically. A diary was kept of visits and other interactions with each organisation. The surveys were sent to agreed groups of stakeholders and the replies sent directly to the researcher for collation and analysis. This involvement meant that the case studies were actually a form of action research.

"Cutting across all research methods is the fundamental issue of tailoring the method to the research question, and of creating knowledge in a reliable and trustworthy way." (Hood, Mayall et al, 1999:9)

Understanding the "conceptions of reality" of the researcher means, according to wikipedia, that the ontology of the researcher has been made explicit. In this case the organisation as a legal entity is assumed to exist. Also the entity is attributed with the feelings and representations of the people of the organisation. Of the four main ontological approaches of realism, empiricism, positivism, and

postmodernism; the researcher in this case would aspire to empiricism but a realisation that not all statements given by subjects as facts will be 100% true. This is one reason why the use of the three methods of observation, interview, and questionnaires is invoked. Also the use of a longer period of time evokes more natural, in situ responses.

A second basic concept of the researcher's position is Epistemology. This concept is the theory of knowledge which is primarily interested in theoretical reason. This is a theory that experiences have led to a meaning having been explained or defined in some way about the experiences or observations. The truth of the matter has been ascertained and not just a belief. This use of experience to acquire knowledge is usually expressed as being *A posteriori*. McNiff (2000) explains that epistemology is a way of knowing, an awareness of self and its effect on a situation. Further it is reflection on that awareness and effect, and that changes us and the way we do things. That is to say, there is practical theorizing. There is an integration of theory and practice. Although McNiff cites the example of "women are caring and intuitive, men are logical and good at fixing cars." (p.6), McNiff emphatically presents a case of thinking "both-and" rather than "either-or". Although research can operate at the levels of observation, description and explanation, the value is in the explanation and the why.

My reflexive account of my action research follows. Reflecting on the assumption presented of managers wanting to improve, that people are self reflecting, that people want to think about change and that the research will provide personal-social improvement; these assumptions are also true of this researcher. In reality these assumptions are not necessarily true. As the premise of this research was the use of quality models, the value of these assumptions would at first glance seem obvious. On closer reflection, Alpha openly was not interested. Also Ephraim stated a preference for improvement and change. However the actions of the director belied the words. The organisations were less interested in reflecting and changing than in the perception of funders that

the organisation was up to date. Burrell and Morgan (1979) identify action research with functionalism (objective regulation) with German idealism moving the locus to closer to Interpretive sociology. That is to say, the research is slightly less objective, but not seriously subjective.

Hood, Mayall, et. al. (1999) state that the interests of the researcher, the funder and the researched are disparate. Furthermore, they state that the researched are deprived or disadvantaged in some way. The funders have time and financial constraints in place. Finally, the researcher has a personal, separate agenda as well. These viewpoints and perceptions need to be taken into account in the reflections and in the discussion and conclusions. As has already been intimated, the researcher has a unique position. As a known and accepted person, the researcher is an insider. However as a mature individual who is reflective, the researcher stands aloof in observing and evaluating the experience. In addition, there is acknowledgement that the very presence of the researcher will change the organisations and their relationships to the researcher, to each other and to other organisations in the field and sector. In defence of this position, the researcher would not have been allowed close enough to observe the organisations, their people and their clientele if the researcher was not trusted and known to have integrity and to be responsible.

McNiff (2000) and others have observed that action research is not highly valued by academy yet. On the other hand, action research has been used and recognised in the educational arena since the 1980's. John Elliott (1991) defines action research as 'the study of a social situation with a view to improving the quality of action within it' (p. 69). In his 2007 text, Elliott states that action is physical and theorizing is mental. However the definition should be "seen ...seen as an attempt to redefine the relationship between theory and practice in a way which dissolved the dualism." (p. 203)

Whitehead and McNiff (2006:34) explain action research as Living Theory. Rather than 'know how' and 'know that', their emphasis and grounding is on

"personal knowledge of 'know this' and 'know', because practitioners systematically relate their work to their values, and draw on those values as the standards of judgement by which they evaluate their work. The values they hold at an ontological level emerge at an epistemological level as articulated epistemological standards. These transform again into the living moral standards by which practitioners make judgements about the educational nature of their influence".

Translating this idea into the current research, the values of the researcher in goodness and fair play, helping others and respecting all people become the basis of reflecting on the diverse background, training and experience of the researcher. Experience at being part of a vulnerable segment of society leads to a knowledge of the feelings associated with this experience. This knowledge, training, and experience emerge as standards of epistemology to be articulated. The expectations of the researcher therefore is for the people of the organisations, and especially the directors, to articulate their acquisition of knowledge of quality models. Further, the directors and staff are expected to share the values of respecting and valuing the clients, no matter what their background or current circumstances. Turning to the final point of the above paragraph, the researcher recognises the influence on the epistemology of the people of the organisations by the research embarked upon and reported in this thesis.

Having been vulnerable and appreciative of love and respect from friends, relatives and associates, the researcher is able to recognise these qualities as evidenced and experienced in the voluntary sector during the research.

In locating references to action research, most of the references are involving situations of educators or educational institutions. Few are in other fields and none were located in the voluntary sector. This does not say that the research could or should not be in this genre, but that previous research efforts have not described their research in these terms. The insight provided by being closer to

the organisations provides a more intimate view of their values and beliefs concerning quality and quality systems.

Section 6.2.2 Ethical Considerations

It is generally considered that “[a]ll human research has ethical dimensions, decision-oriented human research most of all. In case study ...ethical issues are inescapable.”(Simons, 1989:114) While “[case studies] allow more of the complexity...to be portrayed...over time.”(Simons, 1989:116) the ‘close-up portrayals’ “can be threatening...since anonymity...is rarely applicable.”(Simons, 1989:117) Nevertheless it can be argued that well designed research with a mixture of data collection sources and final approval by the participants can be presented so as to protect confidentiality. Although a case study approach requires depth, by simultaneously using other data collection methods that lend themselves to anonymity (such as surveys), the sources can be protected.

Simons suggests that a code and principles be adhered to. Simons considers that “the principle of confidentiality will operate to protect private and personal data from unnegotiated dissemination.”(Simons, 1989:126) However such a principle might imply that private and personal data would not be protected beyond an agreed time period in those cases where permission for dissemination has already been negotiated. This would be one definition of informed consent. Another definition of informed consent is that of ““people willingly agreeing in full view of aims and purposes, problems and procedures and relevant information””(Smith, 1980:193) However Bridges (1989:151) has argued “bringing case study research into conformity with declared ethical principles is unlikely to be a simple matter.” Bridges seems to be noting the complex relationships involved in arranging for and in conducting research. Elsewhere the “paradox of close relationships that facilitate greater data collection ... *may* impinge on objectivity” has been noted. (Scott and Russell, 2002) [Emphasise added by the author.]

A researcher can be viewed as an objective outsider, a special kind of consultant, a professional, or a person who has some other relationship because of previous contact, or some combination of all of the foregoing. In turn these varying views may be vying for control of the attitude of the persons being interviewed. At the same time the researcher must retain a professional, objective view, even if the situation becomes one of deepening friendship, respect, trust, and camaraderie. The researcher needs to understand the *may* in the above quotations and guard against the loss of objectivity required for a valid research study¹⁹.

In an article by Peter Beresford, one of the issues stated to be “raised by service users and their organisation about the nature of their involvement in the research process [is that] research subjects’ participation...should be based on informed consent, meaning that participants must be given full information and be able to withdraw from research if and when they wish to.”(Beresford, 1996:50) The definition of ‘full information’ may also change over time. Therefore the question will not be just at the time that the right to proceed with the research is obtained, but will also be as the research progresses and the thesis is prepared for publication.

Kelly has stated that

" I am not arguing that the principle of informed consent should be abandoned: only that it should be viewed in combination with other ethical considerations, rather than as an over-riding principle."

(Kelly, 1989:108)

The circumstances of the particular research that gave rise to Kelly’s quotation was that those persons who were providing the informed consent (i.e. teachers providing consent for the pupils) were themselves also being researched. The fact that this aspect was also part of the study was not made obvious to the participants. Moreover the changing nature of the data collection used by that

¹⁹ See Section 6.3 concerning validity

researcher was not re-negotiated during the project even though it was 'fluid' (Kelly, 1989:109) and was changed. Kelly's article takes the view that the researcher only has a somewhat nebulous responsibility to those being researched (i.e. pupils and teachers) not to 'damage them' (Kelly, 1989:104 & 109) However the nature of the exploratory research itself may preclude divulging the nature of the questions before the first interviews are conducted. Also, premature revelation of the complete propositions could be detrimental to obtaining observations of an organisation in its natural state and unaware of the criteria which are being used to measure the organisation, its policies and procedures, and its systems.

However Bridges (1989) argues that honesty and openness by subjects during the research can be encouraged by many factors, among which is the offering of "procedural conditions, for example anonymity or control over the release of data, which will reduce initial self-censorship even if it is at the cost of some later limitation on what is published." (Bridges, 1989:145) Further he argues that the obligation for openness and honesty is reciprocal and that, because of this relationship, the researcher is "to protect the subject from ...hurt or injury." (Bridges, 1989:145) Bell (1987) states that "Honesty about the purpose of the exercise, integrity in the conduct and in the reporting...and a promise to allow interviewees to see the transcript and/or the draft of the report will all help, though the cost and time may make it difficult to circulate drafts. Whatever promises are made must be kept, so take care not to promise too much." In the case of this research the promise was made to allow the organisations to review the thesis before it is published. (See Section 6.2.3)

In summary, the relationship between the participating organisations and the research can be encapsulated as trust.

The observations recorded by this researcher on 14 September 2004 provides a case in point:

“She [the acting director] also noted that the research author was a known and trusted person. Any other researcher coming in as a stranger and the acting director would be sceptical of sharing and being open and trusting of their integrity and ethics. The acting director would also be leery of allowing a researcher to be at project meetings and other member contact for fear of the researcher not being sensitive to the feelings of the members and the ethos of both the project and the sector. This reluctance is a reflection of the risk assessment and risk management of access to members required of a responsible project leader. The acting director intuitively is taking the time and effort to do this assessment, because the acting director cares and is “of the heart”.”

Especially in the voluntary sector, where vulnerable groups are involved and at risk, the ethical values of the researcher and of the organisation are critical to successful conclusion of the research.

Section 6.2.3 Implications to this Research

Some of the organisations wrote requesting correspondence before agreeing to be involved. Thus request for consent correspondence centred on the issues of confidentiality and informed consent.

As a precautionary measure, consent was obtained from the Board of Directors/ Management Committee of each organisation so that there was an agreed premise of working which transcended any change in management over the time period involved. The request for consent also set the stage for the work and provided an agreed level of expectation of the time period involved.

Because of the exploratory and in depth nature of certain aspects of the research, the questions and observations needed to be wide-ranging and sensitive. Because of this, the organisations feared that the reputation of their organisations could

be compromised by the publication of certain perceptions, even if the perceptions were true. Based on this hesitation, and reluctance to participate without assurances, consent was agreed upon subject to their being able to review the content of portions of the thesis with a view to omitting any information that the organisations found objectionable. Obviously, this arrangement has the potential of omitting valuable data and its information. An awareness of this problem also presents a continuing spectre that could influence how and when certain data is presented during the preparation of the thesis. Such a problem requires an awareness of answers, observations, and analysis from both the organisation's perspective and from the researcher's perspective. Only in this way can the possible fear and apprehension of the organisations and their people be managed.

The ethical considerations of working with vulnerable groups also implies that reactions, thoughts and feelings of members, users, and carers also needed to be under continuous review. Because of this sensitivity, the questionnaires, after the first group of returns, were only disseminated to management and staff.

The foregoing approach aligns with Svensson and Wood (2005) who included ethics in the common core values of TQM, as well as the six core values in most descriptions of TQM:

- A focus on customers
- Management commitment
- Everybody's commitment
- Focus on processes
- Continuous improvements; and
- Fact based decisions.

This research has therefore followed this guidance in the process of the creation, use and writing up of data.

In the current research the initial concept of intervening was tempered into a position of more facilitating and observing. The facilitating of vision days and assistance was at the request of the director of an organisation and not imposed. Further, the researcher refrained from being a member of the Board of any of the small charities until after the period of research was completed. Even so, the existence of the researcher alongside the director and other members of the organisation influenced their perceptions and their confidence. On the other hand, the directors appeared to be independent persons who politely took decisions that did not include racing into quality models, just because the researcher was available. Their ethics seemed to be to put the organisation's best interests first. As Whitehead and McNiff (2006:44) expressed this concept "They [the researchers] judge the quality of their influence in terms of the extent that they encourage others to think independently, and to make informed choices about whether or not to be influenced." In this case, most of the organisations' directors were not influenced because they thought independently and only used those aspects of quality improvement that 'fit' with their own organisations' values, aims, and objectives.

Another way of approaching the area is to consider the research project as an entity with its own 'architecture'. Brickley et. al. (2003) suggest that 'Organizational architecture' has three elements:

1. Assignment of decision making authority
2. Systems for evaluating performance, at both individual and business unit levels
3. Methods of compensating

As seen in the above paragraph, the decision making authority is shared by the management, the directors, and the staff. The evaluation of performance is ability to keep the organisation financial stable and to attain the goals set by the management, directors and staff. The method of compensating is through payment of the staff. However, more basically, the perception of the directors and staff personnel that the client groups are cared for is a method of compensation, i.e. a job well done. This is the point where ethically the

improvement concept is accepted. However it is the point where the independent thought of the directors' prevents a rushing into new, untried areas of quality models.

All of these foregoing authors suggest that during design of the research, attention should centre on 'what if?' and on risk. It is their contention that employees will use and exploit opportunities. Therefore the question must be asked in the form of 'what have you provided of opportunities?'. Ethics breaches by the staff could then be considered a function of design flaws in policy and decision making. In addition ethics breaches need to be considered as possibly occurring not only in the organisations being studied, but possibly occurring, and needing to be guarded against, in the research process itself.

Section 6.2.4 Other Considerations

Many of the participating organisations were active participants in a previous research effort. (Grant, 2001) During the interim period between the previous research effort and initiation of this research, three of the organisations had had continuing contact with the researcher. However this continuing contact was of a limited, social character and therefore not creating a bias or jeopardising the objective stance of the research.

The extent to which the EFQM Excellence Model ® had been introduced to the voluntary sector in Scotland is relatively limited²⁰. This situation limited the selection of organisations to participate. Only approximately thirty of the many voluntary sector organisations in Scotland had investigated the EFQM

²⁰ At the invitation of the City of Edinburgh Council, initial overtures were made to 30 organisations to attend a seminar, of which 15 attended. Of those 15 organisations, 10 received some training. Of the 10 organisations receiving training, most of them were involved in the previous research effort.

Excellence Model ®. An even smaller number had introduced it to the organisation.

[In addition to the organisations in Edinburgh, organisations in Northern Ireland and Ayrshire, which were initially requested to participate in this current research, declined the invitation. One such organisation did agree to assist in piloting the questionnaire, but declined any further involvement.] Thus the pool of organisations from which the participating organisations could be chosen was small. Fortunately however, these participating organisations do include a cross section of the types of charities in the voluntary sector. (See chart in Appendix D).

Section 6.3 Validity

Validity concerns the level of confidence in the results of the research. The four aspects of validity are external validity, internal validity, face validity and construct validity.

Section 6.3.1 External Validity

External validity is the ability to generalise from the research to a more general case. The exploratory research is intended to provide an insight into the probable relationship suggested. The current research should then lead to additional valid research to confirm the relationship using measures that provide the necessary confidence in the results for generalising. A case study methodology is expected to provide depth. Therefore to generalise beyond this particular research area would require additional confirmation of results.

Section 6.3.2 Internal Validity

With internal validity, there is the question of whether it was the research which caused the change in the organisation. That is, inasmuch as the change was effective, was the change caused by the treatment and was occasioned by the research. The use of the EFQM Excellence Model ® by some organisations with

facilitation versus use of the EFQM Excellence Model ® by other organisations without facilitation actually created a greater capacity for internal validity since the research involved the use of controls and measurable results. These surveys could be repeated with other organisations and most likely provide the same level of confidence in the results. On the other hand the organisations that allowed the facilitation were also ones who showed specific characteristics. Therefore a case could be made for the change being available to all, but only taken up by organisations that were already prepared to engage in change.

Section 6.3.3 Face Validity

Face validity concerns whether meaningful measures are being used. This validity encompasses an awareness of the concept being employed for the study and the relationship of that concept to the measures used.

In particular, the concept that *finance* has a relation to *funding* was investigated. The finance was measured by observation and by questions posed to management concerning the financial system. The funding was measured by interrogating the financial accounts and annual reports provided by the organisation for analysis.

The concept that *finance* also has a relation to *strategic planning* was investigated. After the finance was measured as previously described, the strategic planning was then measured by the amount of sophistication of the planning process and by the depth of the strategic plan and action plans prepared.

Moreover a comparison of planning, with and without facilitation, could be similarly measured. The characteristics of organisations that allowed facilitation to take place could be measured and compared to the characteristics of the organisations that were unwilling or unable to engage fully with the research.

Section 6.3.4 Construct Validity

Construct validity requires that the measure used be consistent with the literature. That is, a measure needs to be consistent with other measures. The use of the survey and of semi-structured interviews were consistent with one another. Moreover, the literature indicates that semi-structured interviews are consistent with case study research. (Drever, 1995; Yin, 1994)

Section 6.4 Conclusion

Chapter 6 has described the research methodology as planned. The chapter has also explained the reasoning behind the construction of the interview schedules and the questionnaires. It has described the intended validity and the extent to which external, internal, face and construct validity are implied as being present by virtue of the methodology employed and by the considerations that went into the selecting of the process. In addition, the general ethical considerations of research in organisations that work with vulnerable groups, as well as the ethical considerations of the researcher and the particular organisations participating in the research were carefully considered.

Chapter 7 will provide insight into the challenges and opportunities that occurred in the process of implementing the research methodology.

Chapter 7 Challenges and Opportunities

In the previous chapters, the background and methodology used to form a framework for the research and its design were explained. In this chapter, the challenges and opportunities encountered during the process of researching the area, designing the questionnaires, etc., collecting data, analysing data, and preparing the thesis are highlighted.

Section 7.1 Researching

The voluntary sector has been researched over the last twenty years which has resulted in the formation of a body of knowledge. However that body of knowledge has certain limitations. As explained in the introduction, the largest charities are very few in number but very large in resources. These dominating organisations have either been the exclusive basis of the research in some of the studies or have dominated the results in others. The largest organisations have the resources to reply to research studies and the resources to implement strategic planning. The small organisations have participated in sector wide studies, but they have rarely been the sole focus of such studies. In light of this situation, much of the background information utilised in this research has had to be gleaned from collateral sources. These collateral sources included studies in Wales and the United States. This has made it necessary to locate articles and books using the various libraries such as British Library, Library of Congress, National Library of Wales, National Library of Scotland, and Edinburgh University Library.

A second challenge for this research has been the need to utilise effectively the various resources available for research. The Internet has grown over the period of the research. The Google Scholar was implemented during 2004/2005 as an aid to researchers. The migration of journals to the e-journals format has been ongoing. Articles which were available through the Internet, via the library research function, at the beginning of the research may or may not have been

available two years later unless the subscription has been continued by the library. These resources are in addition to the library and its physical journals. As the research project neared completion, the initial research required updating and renewal to confirm that the literature was up to date as accessed from any and all sources and resources.

A third challenge for this research has been to determine what theories to use in the process of analysing the data. Institutional Theory as described by W. Richard Scott (1995) in his text on *Institutions and Organizations* does form the basis for a study of the usual three pillars: Regulative, Cognitive and Normative, and also a starting for point for studying Emotive or "Of the Heart" as the fourth pillar emphasized by Talcott Parsons (1951). Additional insight was then obtained by reading more recent work on institutional theory by Powell, DiMaggio, Kearns, and Burns. (See Section 5.2 beginning on page 83). The Institutional Theory was compared to the organisational results being obtained. This comparison was to determine whether the process of implementing longer term planning, that was being observed and questioned, reflected the characteristics described by Institutional Theory and therefore Institutional Theory could be used to understand these processes. The 'fit' reflected that the current environment has many organisational changes occurring. Some of the changes are self imposed by the organisations. Other changes are imposed by the funders and by the regulators. These would include the change to the Office of Charity Regulator, the changes to the Statement of Recommended Practice in 2005, and the additional evidence required in the reports of some funders.

Section 7.2 Designing

The classical, standard work for case study is Yin. (1994) Of the various editions the most recent one at the beginning of the research was Yin, 1994. Also involved in researching methodologies was the matter of following the concepts provided by design and analysis classes. However, the ethics of researching in an area where poor, disadvantaged, and/or vulnerable people are involved

challenged the ability to design and administer questionnaires. The initial questionnaire asked the participants some yes or no questions to ascertain what they knew. Then the follow on questions asked the person to describe in his or her own words that particular concept or trait. For example, participants were requested to state the mission statement of the organisation. Then they were asked to describe success for their organisation. The replies were both enlightening and frustrating. More than an expected number of users of services did not even know basic information about their organisation, their planning, their structure, their finances and/or their values.

This situation provided an opportunity to prepare a supplemental questionnaire to investigate more deeply the opinions of the staff and management. This was especially useful for contrasting the organisations which were actively involved in the research from those organisations which were only passively involved in the research. Active involvement meant that input was invited from the research during the time frame. This would include such items as being advisor to the Board of Directors, or participating in an active supervisory committee, or facilitating the exploration of strategic planning by members and staff. Passive involvement, on the other hand, meant little if any contact beyond the interviews, questionnaires, and observations. Supervisory committees in this latter group were infrequent and ineffective. With one of this group the strategic planning issue was frequently avoided.

The small scale voluntary sector organisations used in the case studies for this thesis are either a recognised charity or has a recognised charity as an integral part of its structure. In all but one of these organisations, the management committees/Boards of Directors is made up of unpaid volunteers. The exception is a social enterprise organisation which utilises a cooperative structure and is an affiliate of a recognised charity.

Latterly, the design challenge is incorporating the action research concept with the case study aspect in the research that uses Institutional Theory throughout.

Section 7.3 Collecting Data

In one organisation a stakeholder was so upset by the questionnaire that the researcher's supervisor was contacted. The stakeholder was upset by the terminology used to describe the vulnerable member group. The cover letter had explicitly described the condition of the person. Unfortunately the carer had not told the member that they actually had a condition and that there was a reason why the centre was attended by the member. The carer as a stakeholder felt that the researcher should not have used the name of the condition, but should instead have used the name of the centre so that the condition was not made explicit. However the director of the organisation explained that the reaction of the carer was incorrect. In the director's opinion the questionnaire was not a problem. However, after this incident the research questionnaire during the second and third year was only administered to staff, volunteers, and management. While the omission of other stakeholders removed one difficulty, it did leave a less than full profile of the organisations over the time.

Also in an organisation, one of the stakeholders replied with cynicism. The comment was made that (paraphrased) although the person was a college graduate, some of the jargon used was not understood and that such questions were better asked of the staff and management than of other stakeholders. Also when asked whether the organisation had a code of ethics, the stakeholder sarcastically replied "I should hope so". However in this instance, the reply was very insightful in that the assumptions made by users and other stakeholders became clear and explicit. e.g. The organisation was ethical, had a code of conduct, had procedures to ensure ethical values were upheld, and had grievance procedures.

The amount of time required to complete a set of questionnaires exceeded the original estimates. The collection of the completed questionnaires was

originally by postal return. Subsequently a collection of the returns by the central office of the organisation was determined to be more satisfactory and this method was used in the second and third phases of collecting data.

The rate of return of the questionnaires decreased over the time period. This dwindling of the rate of return could be attributed to questionnaire fatigue. Also the respondents may not have understood that the same questions needed to be asked to determine if any change in their view had occurred. An informant may have considered that the questionnaire had already been answered previously and not understood that a repeat set of replies was needed. Although the rate of return of responses was not as high as expected, it was acceptable under the circumstances that the interviews and observations provided confirmatory evidence of data obtained through the questionnaires. As observed by Heger et al. (2003), “surveys of organisations typically receive substantially lower return rates than surveys of individuals, with 15% return rates sometimes reaching a level of acceptability” and “mailed questionnaires ... yield the lowest return rates.” (Heger et. al., 2003:5)

The rate of reply by organisation also varied by the year collected. For example, one organisation sent no replies in year two and three in year three. Another organisation sent 10 replies in year two and no replies in year three. Based on the low numbers and the variance in respondents, the longitudinal aspect of the research of these organisations was ineffective. For example, the supplemental questionnaire had 46 replies in year 2 and only 15 responses in year 3.

The rate of change of small charitable organisations in the voluntary sector was much slower than expected. Thus the time frame for a full longitudinal study aspect was also too short. The degree of change was significant to the individual organisations concerned. However, in research terms, the changes were too small to measure as statistically significant.

On the other hand, the second and third year set of responses are sufficient to test validity by comparing the degree of change, or lack thereof, of the responses. Except that the number of responses in each possible category of answer was less than 5 and therefore violated the assumptions of the Pearson's Chi Square test. Thus the rate of response was also too low for this usage.

Section 7.4 Analysing

The data was coded and input initially with each organisation being a separate database. Subsequently, for reasons of anonymity, the databases were combined so that only a database of each of the two questionnaires exists. Initially the then current version of SPSS was utilised as a programme. Then a newer version became available from the Internet and was utilised. However the older and newer versions of SPSS were not completely compatible which caused a certain amount of additional delay.

The supplemental portion of the questionnaires were extensively involved with internal validity and reliability. The sectioning of the groups into active and passive sections provided an opportunity to reflect on the factors contributing to readiness of the organisations to implement strategic planning frameworks, tools and models.

The individual organisations can be compared with one another over the time frame. However, as explained above, some comparisons could not be accomplished because the returns were insufficient to create significant comparisons.

The interviews were transcribed and reviewed for patterns.

The observations were also reviewed to collaborate the results from the questionnaires and the interviews.

Section 7.5 Preparing

The analysis and results could only become clear during the analysis. Meanwhile descriptions of the various other portions of the research were written up as chapters in order to accumulatively create a coherent whole. Subsequent review of these initial chapters provided an opportunity to refine the analysis and result. Finally, the rewriting for resubmission provided an opportunity to further reflect on the research and the researcher role in the research results.

Section 7.6 Preview of Chapter 8

Chapter 7 has highlighted challenges and opportunities encountered during the research effort. Chapter 8 will provide an insight into the evidence collected during the research and reflect on the circumstances and experience of each organisation in the areas of resources; motivation; awareness of strategic planning models and tools; economic perspective; age of the organisations; financial systems and administration; exogenous shocks; operations and functionality; governance; risk and risk management; professionalism; legitimacy; as well as external influences such as collaborations with other organisations, networks, regulations from government, oversight by regulators, oversight by professional organisations, funders' requirements, and auditors' requirements.

Chapter 8 Overview of cases

Section 8.1 Introduction

Chapter 8 provides a general view of each of the organisations participating in the research in a thematic way. Chapters 9 through 13 will then provide the findings on the individual questions posed in Chapter 1. The following circumstances should be noted.

1. Consultancy services were not provided to organisations designated, for the purpose of anonymity, as Beta Training, Ephraim, and Festal²¹.
2. The organisation designated as Alpha was the first pilot and did not expect to receive consultancy services.
3. The organisations designated as Delta, Cirrus, and Gamma did receive consultancy services.
4. Organisation Cirrus had special circumstances that could affect the research, which circumstances are explained in the overview.
5. The second pilot study was used solely as interview to test the semi-structured interview questions. No further contact was made and no overview of the organisation was prepared.

In order to provide some structure in the presentation of the chapter, the data gleaned by observations and interviews was organised within a structure of categories. Because the research centred on quality issues and barriers to implementation, the data was reviewed for awareness of the organisations of the various planning tools and models, as well as barriers. It was also reviewed for references to motivation to use planning models and tools. Based on the posited questions on the financial management systems, the background information on resources available to each organisation was set out as a category. As a general

²¹ Fictitious names are used to add to the anonymity of the organisations.

category, internal functionalities and external influences were used as sections to explain other circumstances or instances of note.

Section 8.2 Age of organisations

All of the organisations have a relatively long history. At 12 Beta Training is youngest, Gamma, Festal and Ephraim are all approximately 20 years of age. In contrast, Cirrus and Delta are 20 year old projects in a 100 year old organisational context.

Section 8.3 Resources

Resources are varied at each of the organisations. The sources are tied to the histories of the organisations. Gamma as a health based social service is mostly funded by the NHS and by social services. These sources are augmented by volunteers and by donations. As geographically bounded, the resources accessed are mostly local in nature. People of every socio-economic class and lifestyle however need the respite service. Alpha and Festal are trade based fundraising. Alpha uses the proceeds for the charitable work. The foods are bought and the volunteers sell them. The profits buy supplies and also fund gifts. Festal uses its method of trading as its basis of existence in that it is a social enterprise for fair trading. Ephraim is mostly funded by the City of Edinburgh Council social services. This source is augmented by volunteers and by donations on an "as needed" basis. The City of Edinburgh Council has identified the language needs of this group and has identified this organisation as the method of meeting the needs of this ethnic minority group. Cirrus is mostly funded by the Scottish Executive. The annual reporting and request for grant are time consuming. The quarterly reporting is used to obtain release of the funds on a 6 month delayed basis. The organisation was set up the same time as the funding source became available. Beta Training and Delta are both training organisations that use ICT extensively. Both have access to both City of Edinburgh Council and ESF (Europe) funding. Both organisations have Investors in People status. Both augment their funding with grants from foundations and trusts and with

volunteers. Beta Training, and to a lesser extent Delta, have fee paying sessions to supplement their funding.

Section 8.4 Financial Systems

Again, the financial systems vary widely. The simplest format is a cashbook and hand kept ledger. Alpha began with a hand kept cashbook but transitioned to a computer based spreadsheet to record the transactions exactly as the cash book had always recorded the transactions. Ephraim also uses spreadsheets. Their spreadsheets have grown to include various line items needed. Also the budget versus the transactions incurred are shown. The management committee are happy with the financial reporting. Gamma uses Quickbooks computerised system, augmented by SCVO payroll service. The management committee are mostly happy with the financial reporting because the Treasurer as a retired accountant oversees the work. Delta, Beta Training, Cirrus and Festal all use SAGE computerised account system. Their reporting needs and capabilities are quite extensive to access the funding properly and to record the multitude of transactions occurring.

Section 8.5 Financial Administration

The level of training of the financial person is generally quite high. Having said that, there seems to be a relationship between the level of training attained and the level of financial systems utilised. Alpha accessed some training toward a Certified Accounting Technician (CAT) qualification. Only limited progress was made in the training arena. In parallel, limited growth was seen in the level of financial systems.

Ephraim uses spreadsheets. The financial administrator is a part time bookkeeper. No change in training or growth of financial systems was observed. Gamma's financial person at the start was trained to attain the CAT qualification. When the next person was hired as a replacement, they already had a BSc in accounting. The financial management was sustained. Beta Training's person received training and attained CAT qualification in 2000. The financial management grew and the reporting capability increased. Festal's person was a

very experienced bookkeeper who then accessed the training for a CAT qualification in 2000. The level of trading and level of reporting increased dramatically in the last few years. Cirrus and Delta had a centralised system for the entire organisation. The person was a qualified accountant, augmented by a part qualified accountant. This benefited their extensive and complex reporting needs.

Section 8.6 Motivation

All of the organisations need to keep sufficient accounting and other records. This requirement is part of the legal requirements for audit or independent financial review. All of the organisations that are funded by the City of Edinburgh Council or the Scottish Executive are required to demonstrate *Best Value*. This added value is required of the public funder and, by extension, required of those organisations that they, in turn, are funding. This requirement would apply to Gamma, Delta, Beta Training, Cirrus, and Ephraim. As Alpha does not have external funding, their reporting requirement is very low. Festal needs to report to various stakeholders but is not grant or proposal funded. Ephraim has quarterly reporting to its sole major funder. Gamma and Cirrus also have quarterly reporting to their sole major funders. Therefore their reporting requirement is relatively low but is greater than Alpha. The complex funding structure of Delta and Beta Training require that the source and application of the separate funding portions be identified and separately reportable to the different funding sources in different formats. The criteria for reporting are different and the issues to be addressed are different. The European funding was competitively accessed and the funding is only accessible by continuing to meet the reporting requirements. The accessibility continuing only with reporting is also true of the various other sources of funding.

Section 8.7 Awareness

The awareness of frameworks, tools, and models is uniformly low in the organisations as a whole. The staff of the organisations were asked at the first stage of the research about their knowledge. In each and every case about 90%

of the staff had not heard of any tools or frameworks besides the ones in use. In the case of Alpha, the members were not canvassed as a group. Individuals uniformly were uninformed. In addition, the management of Alpha were not only uninformed, but uninterested. In contrast, the directors of Cirrus, Gamma, Ephraim and Festal were interviewed as part of the Master's dissertation. In addition, the EFQM Excellence Model ® was discussed with the directors of Beta training and Delta before this research began in 2002. The final observations confirmed that the presentations and discussions had not taken root at almost all of the organisations. Beta training had stated in an interview that, although they knew of tools and frameworks, a deep investigation into availability and applicability of them was beyond the scope of the organisation. Gamma took the concept of quality to heart, but is implementing the concept slowly and with sensitivity to the clientele. The first step was training the staff. The second step was obtaining Investors in People recognition. The next steps are delayed by circumstances. (See Section 8.9) Only Delta took the idea to heart. Delta is the organisation that put its self forward and volunteered to participate in the research. In addition, Delta is the organisation that had used a management framework already for several years. Finally, Delta is the largest of the small, voluntary sector organisations being researched –other than the turnover of the social enterprise. In the next section, the economic perspective is reviewed.

Section 8.8 Economic Perspective: Size of Organisation

With only two full time and four part time workers, the budget of Cirrus is £100,000. Although Ephraim has one full time and five part time workers, the budget is also approximately £100,000.

Gamma's staff is larger and has a larger budget of £200,000. to meet the requirement. In addition, the pay scales are lower as the professional credentials of the workers at Cirrus are higher. Finally, the unique language requirements of Ephraim necessitate slightly higher pay scales.

At the beginning of the research Alpha had a £100,000 turnover. However none of the budget was payroll. The 300 volunteers had some volunteer expenses. However, in actual fact, very little was expended in this way either. Most of the expenses were the cost of goods sold. The profit was used for charitable activity. During the time of the research, some aspects were reduced so that the number of volunteers fell to under 100 and the turnover fell to under £30,000. The profit is now in the £15,000 range. Therefore the size of this organisation has reduced significantly.

During the research Festal's personnel increased from three full time persons and one part time person to six full time individuals. Their turnover increased from £350,000 to £1,000,000. The profits were increasing. However the cashflow was, and continues to be, a cause for concern.

Delta maintained most of its workforce and volunteers using a changing and complex funding pattern to support the £300,000 turnover. Although, like Beta training, the funding is complex, the personnel are not on fixed contracts tied to the life of the funding sources. That having been said, several people were made redundant during the time period of the research.

Although Beta training had a budget approximately the same as Gamma, it's complex funding made analysis more difficult. Personnel contracts are tied to the life of the funding source supporting the position. Therefore if a funding source ends, the commensurate personnel are made redundant. At the beginning of the research the four funding sources supported the nine personnel and several volunteers. At the end of the research, there were nine personnel. However the four sources were not identical to the sources at the beginning. In addition, two of the funding sources which shared some of the core costs were approaching the end of their life cycle without replacement funding being identified. This aspect will be explored further in the next section where various exogenous shocks and internal stresses (Jepperson and Meyer, 1991) are identified.

Section 8.9 Exogenous Shocks and Internal Stresses: Barriers

All of the organisations experienced incidents during the course of the research. These shocks and stresses both distracted the organisations and had longer term ramifications and implications.

Alpha experienced the closure of a facility. Later, it experienced the resignation of a leader of another fundraising aspect. The closure was part of a larger exogenous shock. Most of the hospital moved to a remote site. Most of the volunteers for the facility that closed also stopped volunteering. This meant that Alpha was downsized, but it also meant former volunteers were now isolated older individuals. The Management of Alpha were aware of the implications for an older person being alone and isolated in that their health (physical and mental) could be affected. Following the internal stress of the resignation of the leader of the second site, an interim leader cared for the site during a transition. The hospital took the decision to not use volunteers any longer. Instead the area was leased out as a going concern. The implication was the volunteers were not valued. The ramification was that the prices increased. The personnel of the hospital were not happy. The volunteers were not happy either. Again, Alpha volunteers ended their services and became isolated older persons. For the remaining volunteers, some old friends were no longer handy. In the longer term, this has meant that no new volunteers have been recruited.

A second exogenous shock caused Alpha not to recruit volunteers. This was the requirement that new volunteers be police checked. The aversion to setting up new procedures needed for such checks has deterred Alpha from any recruitment.

Turning to Beta training, the exogenous shock was alluded to in the previous section. The sources of funding are not renewing and the significant competition for funding means that the probability of locating new funding for their current activities is reduced. This has an additional implication in that the charitable activity will therefore probably have to change or be discontinued. In the face of

reduced funding, the morale of the organisation was lower. At the same time, the director embarked on maternity leave for six months and ultimately did not return. This internal stress, added to the exogenous shock of reduced funding, meant attention was distracted from quality issues and the investigation of a new Model.

Gamma's internal stress has been related to the health of employees. During the research at least two persons were on long term sick leave. In between the two time periods of long term illness, seven persons simultaneously were taking training for qualifications by distance learning. This meant that the staff was developed and the quality increased. However it also meant that the organisation was unable to simultaneously learn about anything else other than the training for that time period. In addition, the finance person left and a replacement person was hired. The settling in of the new employee as they learned the finance function while others were extra busy covering for absent personnel and learning meant that the organisation was relatively distracted and had only a limited capacity to take time and resources for a quality framework.

One exogenous shock for Gamma was difficulty with the buses and bus drivers who were not sensitive to the clientele. This situation was resolved however the solution included several people from Gamma taking the training to enable them to drive the bus. A second exogenous shock was the need to move the organisation to another site. This move encompassed six months of negotiations, planning and implementation. At the same time an even longer term plan of moving to a purpose built site was embarked upon. In addition, the longer term strategic plan includes expanding services. These activities are capturing large amounts of time and attention. Again, the organisation is somewhat distracted from moves to implement a quality framework. On the other hand, the balance has been maintained that training and development of staff has been progressing even while the organisation coped with the shocks and stresses.

Delta's challenges stemmed from the merging of two sister projects into one. The one project was training and development of persons to prepare them for work. The other project was learning and development. Both projects work with disadvantaged groups, frequently long term unemployed. Both projects cope with literacy and numeracy issues impeding progress of individuals in their attaining goals. However the two groups of professionals had different origins and cultures. Even after the merger was negotiated, the settling in period of implementation included internal stresses. A second internal stress was lowered morale when several persons were made redundant. These redundancies were occasioned by financial concerns of the larger, overall organisation. A continuing stress was the continuing need to compete for additional funding. At the same time the organisation was networking with organisations on local, national, and international levels. The proposals increasingly ask for evidence of quality such as a quality kitemark or a framework being followed. The current quality framework (SQMS) ceased to function and the project by necessity is embarking on using the EFQM Excellence Model ®. All of the above issues meant that less time and resources were available to devote to a new quality model. On the other hand, the necessity factor means that time and attention is and will be paid to this aspect.

The internal stress to Cirrus was a change in director which was negotiated. The reason for the departure was a complaint letter concerning the director. Several underlying issues surfaced at that point. The ensuing, protracted negotiations meant that the remainder of the small staff were stressed. The tension of the situation was exasperated by the need to cover the work and not to stress the clientele. The clientele were unsettled by the change, especially since the project also had to move to a new location at the same time. The move was necessitated by a notice from the landlord that the lease would not be renewed. In fact, the landlord planned to use the site himself. As a vulnerable group the clientele are protected as much as possible from shocks and stresses. Under these circumstances, the services continued, but with an undercurrent of stress. On the other hand, the researcher was provided access to the clientele as they voiced

their goals and objectives for the project and how they saw the project progressing.

Ephraim was required to engage in a protracted negotiation with its main funder for the services to be provided in exchange for a negotiated level of funding. In addition, the amount of time to be spent on the negotiated activities was being addressed as an additional issue. The funder wished to dictate the type of activities in which Ephraim was to engage. Ephraim's position was that, as an independent organisation, the allocation of time was only their own concern as long as the activities were accomplished that were being paid for. At the same time, the leadership of the organisation by the elected convenor faltered. By this I mean that the convenor needed greater assistance from the director for that two years. Just after the research ended, the office experienced a crisis. The ceiling of the office fell in. The personnel could not re-enter the building. The office had to be relocated. The negotiations and investigations took a very long time. Only in May 2007 could the organisation re-enter the premises. These situations meant that the director, and therefore the organisation, was distracted from operational duties during that very protracted period of five years. Obviously, although the director spoke of strategic planning and wishing to implement a quality model, the circumstances have precluded an attempt to begin such a journey.

Festal's challenges were closer to the challenges of a small but growing enterprise. By this I mean that cash flow forecast (projection) was a constant source of concern. Increasingly the need for working capital outstripped the supply available to purchase increasing numbers and kinds of products for processing and resale or only for resale.

At the same time that the main supplier was concerned about their own cash flow from Festal, the main supplier was aware that Festal was an owner of the suppliers. In fact, Festal was one of the three equal owners. As a complex

interrelationship, the legal and financial transactions had to be delicately negotiated.

In addition, there were internal stresses. In 2003/2004 one member of a very small staff was on long term sick. Also a conflict arose between members of staff over vision and mission. The newer members of staff were less familiar with the charitable origins and the underlying ethos. Therefore they seemed to have less commitment to the cause, as reflected in the aspirations and the marketing. The newer members of staff prevailed in having a rebranding exercise undertaken at the same time as the cash flow concerns. This dissention caused stress in the staff.

During 2004, Festal lost its lease. This meant that new premises had to be agreed upon by all of the members of staff. Finding and inspecting the premises was time consuming. Also the first site selected had legal difficulties. With the planning, preparation, finding two sites, negotiating a lease, etc, the relocation became a long, drawn out, endurance contest. Ultimately, the move took place; however, by that time the part time person had retired. Also during 2004, the original premises were burgled on two separate occasions. On both occasions the petty cash was stolen and little else. However these incidents caused disruption.

All of the organisations therefore experienced events that took time and energy to resolve. When the fundraising and operations activities are also taken into account, it is no wonder that the quality model did not progress significantly in almost all cases.

In the next section, the operations and functionality will be recited.

Section 8.10 Operations and Functionality

All of the organisations continued to perform their charitable activities. For example Beta training and Delta continued to train and develop their clientele

using ICT. Some individuals need extra support and receive it. Others only need the normal level of support. Beta training tests the prospective clients for aptitude and probability of success with the ICT training toward new jobs. One such tester session was observed. The member of staff was administering the sample lessons, but was also observing the interaction between the prospective clients. Frequently the group will gel and begin to help each other. One only needed a refresher and was very likely to succeed. Some were adult returners with an extended period of absence from the work place for several years. These individuals would require extra support, but were displaying a willingness to work hard and succeed. As the staff person stated, one person in the past was turned back several times, but kept applying. This person was finally given a place based on tenacity. Success required a large amount of support and an abnormally large amount of resources.

In contrast Delta takes on all persons in the targeted group who apply. Therefore their need to support individuals varies more widely and in a less controlled fashion. The ability to succeed with the programme also varies so that the outcome encompasses more risk. This aspect will be explored more fully in Section 8.13 of this chapter.

Both organisations revise their own materials and have (or obtain as needed) specialised computer hardware such as speaking software, large mice, larger monitors, and specialised keyboards. The revised materials are tested and used. The materials may be in large type for some of the clients.

Operationally, both organisations have signing in and out for both clients and staff. Cirrus too has this routine. During the research, Gamma added a modified version of this routine. The modification is that staff, visitors and volunteers are to sign in and out; however, clients' attendance is recorded on their behalf. Gamma learned the routine through health and safety training. Ephraim has a system of recording attendance as does Festal, but less evident to clients and visitors. Ephraim does have a "sign in" for the clients' lunch club activity for the

clients. This is occasioned by the payment by members of money toward the cost of their lunch. Therefore, this checking in is mostly a way of accounting for the money received versus lunches served. Festal has few visitors or clients at the office. Their recording is not obvious to anyone but the staff. Based on the above recital of commonality of behaviour one could identify the institutionalisation of this routine.

The operations of Cirrus are in a weekly pattern of classes and open times that has been available, with slight variations, for several years. The clients are referred, or self referred, based on artistic aptitude and the perceived ability of the art service to assist the clients in maintaining mental health wellness. Gamma has a weekly pattern of attendance by clients. Again the clients are referred to the service. (There is a waiting list for Gamma's facilities.) All activities are coordinated and communicated through the Administrator. Ephraim has a weekly pattern of activities available. The clients are self referred for the most part via word of mouth. Others are referred by the agencies encountered. Beta Training and Delta are reaching out to difficult to engage populations and actively recruit clients. Even so there is a weekly and termly routine to the activities and services provided. This patterned way of working is usual in organisations and reflects a commonality of approach, i.e. institutionalised.

All of the organisations have standardised routines. For example Ephraim has a routine for unlocking the office and turning off alarms. Then cabinets are unlocked and the computers turned on. On the other hand, there are times when distractions interrupt the routine. One time observed was when the software for translation did not open properly on the computer. The other aspects of the routine are delayed while the distraction is dealt with. Delta has much the same routine of turning on the lights and opening up after turning off the alarms. Then the cup of tea or coffee is prepared to start the day, while the emails are read and disposed of. Beta Training also has alarms to turn off and lights to turn on

before the computers are turned on. Their doors have locks during the day. This routine of maintaining the security of the offices originates from the history of the organisation. Some of the clients were and are women rebuilding their lives after a life of domestic violence. Alpha has an office routine of locks, light, and computer as well. Gamma starts the day with locks, alarms, lights, sign in and the kettle on for tea. Cirrus too starts the day with locks, alarms, lights, computers, and the kettle. However based on the origins of the organisation and the nature of the vulnerable group being served, a unique policy was made requiring two members of staff to be present before clients can enter the building. Festal too has a routine of locks, alarms, lights, computers, and kettle for tea and coffee. In addition, there is a rota for telephone, mail, and cleaning the office.

All of the organisations have systems of tracking holidays and planned absences by staff. The existence of policies and systems assists in ensuring that the services continue in the pattern even if some members of staff are absent, i.e. not everyone is off at the same time. Gamma has a wall planner with coloured dots for staff holidays. A different coloured dot for each member of staff. Also no more than two members of staff can be on holiday at the same time. This policy of no more than two at a time also apply to Cirrus and to Festal. Beta Training and Delta have a more lenient policy in that the staff is slightly larger and can cope with three staff being absent. That being said, the staff usually verify the situation with the project leader or project director before booking holidays. Beta training has a time off in lieu (toil) policy that avoids the concept of overtime pay. This aspect too is recorded and accounted for. This aspect of recording staff time is currently unique to Beta training. However having heard of this practice, Gamma is looking at it with a view to possibly instituting it in the future. This is an example of how mimetic behaviour actually occurs. How and when the imitation will occur depends on the actual circumstances of Gamma as time passes.

With invoicing and recording of financial and non financial data, all of the organisations have an administrative function, including computer systems. Gamma invoices clients monthly on the subsidy part of the meals for clients if requested. Other clients pay daily or weekly. Therefore careful tracking is required. Also letters, payroll, petty cash, and telephone calls all need attention. The administrator is required to be much more than a financial recording person in a relatively small staff environment. Many functions are left to administration. Therefore, the computer as an able assistant for doing and recording and storage device is used to a large extent. Delta also invoices clients, records financial transactions, administers petty cash, telephone, and payroll aspects in the one person. Again, the computer is used to store information, type letters, and record transactions. Cirrus too has one administration person. The administrator is to coordinate payroll, telephone calls, signing in and out, letters, marketing materials, records, and any other needs of the staff and clients. The computer system is invaluable for handling the many tasks. Beta training has a larger administration staff. However, members of the administrative team double up as trainers in some instances. For example, the financial administrator also is a trainer in administrative procedures and finance. Beta training does invoice paying clients. The telephones are to be covered and the one administrator has the sign in/sign out sheets at their desk. A more complex arrangement has grown up based on the historical, piecemeal growth of the organisation, one project at a time, with its attendant administration adding a member of staff each time. As recited above, Delta has streamlined the process recently based on fiscal constraints. Only time will tell whether Beta training does the same. Alpha has one computer system. Generally the treasury function uses the computer. The secretarial function uses a word processor/typewriter. Administration is handled in its own way. The telephone has an answering machine. The treasurer is expected to track the financial system and keeping the paperwork filed that relates to finance. The secretary/typist does the minutes, letters, etc. as required. The organisation's formal secretary prepares the annual report, takes the minutes and transcribes them for typing, checks the answering machine, and generally makes sure everything runs smoothly. The individual

fundraising aspects each have a convenor to assist in ensuring that operations run smoothly. Individual volunteers turn first to their convenor for assistance. The convenor then works through the secretary, treasurer, or any other members of the management committee to answer the question. This methodology reflects a semi hierarchal structure. This and other examples of structural aspects of the organisations will be explored in the next section.

Even so, organisations have their own, unique operational challenges. For example Ephraim was challenged by the SARS epidemic. Previously, the common plate was accessed by people, with their own chopsticks. With travel back and forth to the orient, the procedure was changed to a common plate with a large spoon. The person is to place the food on his or her own plate with the spoon and then eat the food with their chopsticks. In addition, people travelling from the orient were asked to voluntarily not attend the lunch club for ten days after coming back to Great Britain. This voluntary action anticipated and precluded official action to prevent possible spread of the epidemic.

As reflected in this section, the organisations heavily mimic the typical private sector office for routines, holidays, recording, and other standard activities. However as also reflected in this section, the organisations react to their unique histories by having appropriate, unique policies and procedures. All of these are in the context of the structures of the organisations, which structures are reviewed in the next section.

Section 8.11 Structural aspects

As noted in Section 8.10, Alpha has an informal semihierarchal structure. This means that the convenors care for their own individual aspects. The convenors are then part of the governance on the management committee with the elected chairperson, secretary and treasurer. All of this is in accordance with the constitution as an unincorporated organisation.

Ephraim like Alpha is unincorporated. It has annual elections. In the case of Ephraim, the convenor is an active partner with the paid director while the president is more of a figurehead. The management committee is elected from among the users and the friends of the organisation. The nature of the positions creates a possible conflict of interest for members elected to the management. By that I mean that a member could vote for policies and changes that will benefit themselves and their personal friends rather than the organisation in general. In fact, a staff member told me that, in their opinion, some of the members had done that very thing.

Cirrus and Delta have a common overarching management of the unincorporated parent organisation. The executive committee is elected annually by the members. The overall structure is individual projects which report to the executive director. The director in turn reports to the executive committee as the management. The individual projects may have steering committees to assist in advising the projects. In most ways the individual projects are autonomous. Cirrus has a dormant steering group of professionals in art therapy and psychiatry. The leader of Cirrus has an deputy leader. There are three other part time workers, augmented by volunteers and a full time paid administrator. The small staff means that the weekly staff meetings are relatively family like. The professionalism and support to the staff will be developed in Section 8.14.

Delta forms steering groups for special projects and for European funded projects. The project leader/director of Delta has a training manager, a programme manager, a computer network systems person, the administrator, and several leaders of individually funded projects. The leader of the café is a chef. In addition, one of the leaders doubles as the human resource person. The programme manager doubles as the health and safety officer. There are also workers and volunteers to augment the very flat structure. Informally certain of the members of staff have more power, but generally a team approach with staff meetings to coordinate efforts is used. Special teams for marketing and

fundraising are formed across the whole of Delta. There is a strong democratic ethos that everyone can speak up to the whole group.

Beta training has a stronger hierarchal structure with project leaders in charge of their aspect of the organisation including fundraising and budgeting. The liaison is with the executive director of the organisation who in turn presents a coordinated picture to the elected Board of Directors who govern, all in accordance with the memorandum and articles as an incorporated entity, limited by guarantee.

Gamma like Beta training is incorporated. Also like Beta training it has memorandum and articles as an incorporated entity, limited by guarantee. The director has day care leaders and day care workers who are augmented by the volunteers. The director also has some care duties. The administrator/financial person may be called upon for care duties. The care of the clients is paramount to the director. This attitude is instilled in the staff. The director in turn is responsible to the Board of Directors. Gamma's Board of Directors is elected annually. However, democracy on paper is limited in its execution. The election is structured so that very little change occurs in the membership of the Board. This aspect will be discussed in more detail in the governance section below (Section 8.12).

Festal is incorporated as a company. The charity made loans to the company to start it. The shareholders include the cooperative farmers. The staff are also the governing committee sitting as a general council. Functionally, the staff have been assigned marketing, sales, financial, and inventory duties. However the policy and decision making are general council items for consensus building to come to a decision. All of this team work is in the context of the conflict alluded to in Section 8.9 above.

The above detail clarifies the variety of structures, formal and informal, used in both the incorporated and unincorporated contexts by these organisations. In the next section the governance of the organisations is discussed.

Section 8.12 Governance

Governance is usually taken to mean decision making mechanisms. It also encompasses the method of originating policies and of engaging persons to be the management of the organisation. Each of the organisations included in this research have a distinctive arrangement for governance based on their peculiar history and circumstances. However the governance is in the context of their legal structure as reviewed in Section 8.11. The examples that follow will clarify the governance observed and the governance stated in the interviews.

Gamma's governance was alluded to in Section 8.11. The members of the Board are nominated for election based on a printed schedule that is laid out and agreed ahead of time. Therefore although the nominations and elections appear democratic in the minutes, the actual election is set up before the meeting. During the year, the Board of Directors takes responsibility for the policy and strategy of the organisation. However the "vision day" to explore the future and a strategy to attain that future was attended by staff, the director and several members of the Board. The Directors had input but the final product was first put forward by the director. In addition, the director puts forward a suggested policy in a form for the Board of Directors to discuss and agree. To be fair, the Board meetings discuss staff issues and advise the director of their opinions. The insightful questions assure that, for the most part, difficult legal situations are avoided. The common sense and breadth of experience are tempered by a common attention to, and sensitivity to, the reason for the organisation.

Beta training's governance also has some worrying aspects. The staff actively recruit the people that they would like to see on the Board of Directors. In their case the members of the Board are to represent funders, staff, clients, and others. The mix assures that stakeholders maintain a voice. However the recruitment

process tips the scales toward agreeing with organisational suggestions put forward by the director. During the interview, the director openly discussed the hierarchy of the staff and spoke of the management (Board of Directors) as having some understanding of strategic tools such as Investors in People. The director seemed unaware that one of the members of the Board of Directors was trained in the EFM Excellence Model ®. The research questionnaire had revealed this information. The director also openly admitted that most of the policies and strategies originated with the director.

In the case of Ephraim, the director advised that most members of the management committee do not have training in management. In addition, the language barrier makes training difficult. With annual elections, the training would have to be annual to be effective. A member of staff advised that some of the members of the organisation were less educated due to circumstances when they were children in the 1930's. By this the worker meant that during World War II and before, schools and schooling were interrupted by war. Some of the persons were lucky to be able to sign their name. Training and development were difficult to attain. One questionnaire candidly explained that anyone can be elected to the management board and that some people have used their position to enhance their position in the community rather than to the betterment of the organisation. This situation indicates that some of the members of the management board might not be fully cognizant of the legal liability that accompanies their position and also are not fully cognizant of the legal requirements attached to the position. In addition, conflicting instructions to the staff and squabbling among the management committee members were mentioned. All of these facts and circumstances affect the ability of the management committee to govern the organisation. The director received training on strategic planning in 1999. However the training has not been disseminated among the members of the management committee. The circumstances recited above and the language barrier seemed to be the main reasons. In any case, the appearance given is that the annual elections are

democratic and the director suggests policy and strategy for discussion. These policies are, in turn, enforced by the director. However the cultural differences that caused the women to not be educated continue to affect the organisation and its policies. Ephraim also has a supervisory committee that meets twice a year. This group has members from various stakeholder groups. The members provide input. The twenty members make the supervisory committee very large but attendance ranges from six to fifteen people. The smaller meeting of six people was in 2004.

The governance of Cirrus and Delta are the same, and yet different. By this I mean that these organisations have a common parent and a common overarching management. However each organisation implements the management in their own way, supplemented by their own form of additional guidance. Cirrus implements the official policy plus their own policy of two members of staff being present. In addition, each professional member of staff has support and supervision. Finally, the organisation has a steering group of professionals. However the group has not met in over two years and is therefore not effective in guiding the organisation through the tumult of changing directors and moving to new premises. These decisions and arrangements came from the executive director of the parent organisation.

Delta also implements the official policy plus their own arrangements for security. Delta provides internal support and supervision to each staff member both from their own project leader and from Delta's director. The steering groups are based on the subprojects being piloted at any one time. For example a European project for eighteen months may have its own steering group for the eighteen months. That steering group is disbanded. However the next funding will have its own steering group for guidance. In this way Delta accesses expertise, advise, and appropriate guidance to ensure community consensus. The director selects appropriate members of staff as a team for each funding. In addition the director tries to share out the responsibilities for the individual projects.

Alpha's governance is based on the fundraising groups and the activities groups. The convenor of each activity is on the management committee as well as the elected officials of treasurer, secretary, and chairman. The chairman and the secretary effectively lead this group. The decisions generally centre upon the requests from the hospital for funding and the requests of the convenors for guidance in how the organisation is progressing in both fundraising and record keeping. During the research the treasurer retired and the back up record keeper took on the function. With a smaller organisation and a smaller office, the management is also becoming easier.

Festal's governance is unique in that the cooperative format is used. The members of staff with more than six months of service are part of the general council. The general council then discusses any issue that a member of staff brings forward. The discussion continues until a consensus is reached which is then implemented. Although democratic, this process is very time consuming. The time is available and appropriate for a small organisation. However Festal is growing and time is a scarce resource. In addition, the organisation had some very critical decisions to make during the time of the research. The organisation moved location. The emblem was changed as part of a rebranding exercise. The long term mission and vision was questioned. These deep questions took much time to investigate and decide. At the same time the products and lines of each product were expanding. The purchases were financed by credit from the bank and from the slow paying of creditors. This recital of facts clarifies that the cooperative format may not continue to be appropriate in years to come. However it is the structure and governance currently in place.

One of the areas required of management is analysis of risk and risk management. In the next section this aspect of the organisations will be examined.

Section 8.13 Risk and Risk Management

Whether implicitly or explicitly, risk and risk management needs to be recognised and handled by management. Each of the organisations handles this aspect of management differently.

Beta training has a risk of not succeeding with a client. In order to reduce the risk the tester sessions are held to select clients from the target group who are more likely to succeed. In addition, this strategy helps ensure that the organisation will 'make the numbers' that the funders are looking for. The clients need support ranging from group work to one on one supervision. The higher the ratio of trainees to tutors, the less likely that trainees will succeed. However the need to show accountability and have a level of success requires ratios to be balanced. The success rate can be very high, but very expensive. Alternatively, the groups could be large and inexpensive, but the success rate would be low. The right ratios differ with the groups and their needs. This is a difficult risk to manage. Locks on the doors and blinds on the windows help ensure the safety of both the staff and the clients. Both staff and clients need safety from vandals throwing stones at the windows. Some clients are at risk from partners or former partners. This is because some clients have been victims of domestic violence in the past. The locks mean that the staff can control access to the location. This management of the risk is sometimes thwarted by clients that set the lock snib on 'unlock'. This behaviour is discouraged but difficult to monitor. The organisation has not succeeded in educating the clients and staff of the dangers that their behaviour could precipitate. Another risk is the funding. The proposals submitted are subjected to a scoring system for European funding. There is a high degree of competition for the funding and a high level of record keeping and accountability after the funding is accessed. The risks are not accessing the funding and, once accessed, not being able to adequately supply the necessary reporting required. The risk on the reporting is minimised by increasing the reporting systems with SAGE computerised accounting being operated by a highly trained, qualified Certified Accounting Technician. The risk to accessing the funding is harder to manage.

Ephraim faces a funding access risk. This risk is occasioned by the need to renegotiate a service level agreement with the City of Edinburgh Council with *Best Value* added value aspects to it. Ephraim also faces health risks. The SARS epidemic and the resultant procedural changes were already alluded to. The risk was that if Ephraim did not institute appropriate safeguards, then government would impose safeguards of some kind. In addition, Ephraim faces risks of relationships within the organisation. Although the ethnic minority group seems homogenous to westerners, there are distinct groups within the ethnic category. These groups have distinct cultures. In addition, historically, the groups are not necessarily compatible. Therefore Ephraim's staff must delicately negotiate the maintenance of at least an appearance of good relations among the subgroups. Finally, Ephraim faces regulatory risk. The management committee members have little formal business training and most have little English skills. The squabbling and conflicting instructions, as well as the conflicts of interest, were alluded to in the above section on governance. The changes in the legal requirements of a charity are difficult to communicate adequately. Therefore there is a risk that proper attention may not be paid by the management committee to proper management and to new requirements such as registering with the Office of the Scottish Charity Regulator (OSC).

Alpha faces the risk of volunteers deciding to stop volunteering. The continuing downward spiral of membership could lead to abandonment of the organisation. Alpha also faces the risk of not creating sufficient cash flow to support the gifts promised to the hospital. This risk is managed by the management committee by reviewing the financial situation before making gifts, while taking into account previous gifts promised but not yet paid for.

Festal's risks are both financial and non-financial. The cash flow difficulties of increasing the products available for resale as a drain on working capital were previously alluded to in this chapter. Festal has the risk of the bank or creditors requiring payment that is not currently available. The money is not in cash, but

in the extra inventory that is developing. The non-financial risk is the relationships at the organisation. The deeper risk is that the original ethos and ethics of the organisation will be subsumed into the race to rebrand the organisation, sell more and more products in larger and larger quantities, and make additional profit.

Delta's risks are also both financial and non-financial. Financially, Delta's risk is the competition for funding. The reporting and proposals are increasingly time consuming with quality elements built in. The non-financial risk is again based in relationships. The merger of the two sister organisations to form Delta is smooth on the surface but there is still an underlying current of discontent. The risk is that the members of staff with experience will leave because of the undercurrent. There are two further, client centred risks. One is that the clients will not be engaged and come for training. The other risk is that the clients will succeed but that the success will require more resources than are available currently. The alternative is providing a 'normal' level of resources and the client not attaining their goals.

Cirrus too has financial and non-financial risks. The financial risk is the competition for funding and the resultant annual proposals and reporting. The non-financial risks are with people. The clients are a vulnerable group. The risk would be that one of the members of the vulnerable group's behaviour could become unmanageable. At that point the risk would be to the safety of both staff and other members of the client group. A second risk related to people is the relationships among the staff. As alluded to earlier, one of the staff filed a formal letter of complaint. This letter ultimately resulted in the director leaving the organisation. In addition, the administrator expressed a hesitancy to talk to the director about personal matters but was comfortable discussing personal matters with the researcher. This situation means that the organisation could risk losing the long term professional staff that is so necessary for continuity when working with vulnerable groups.

Gamma's risks vary. Financially, the risk is that the budget cannot be met with the funding available. The funding amount has not increased for several years. The donations and the money from trusts have supplemented the funding to balance the budget. In addition, the volunteers assist in making the client centred care possible on a limited budget. Non-financially, the risks again centre on the people. The long term sickness situation strains the level of staffing. Also the relationships between the members of staff has to be monitored to maintain good relations and to prevent difficult situations from arising. There are health risks with vulnerable group members who do not always recognise when they are unwell. The risk is that a person will bring an infection to the rest of the vulnerable group or the staff. Among the health risks are persons with HIV infections. These situations need careful monitoring and management. As two signatures are needed for cheques, one of the risks is that persons will be on vacation and cheques need signatures. For this reason three persons are now on the checking account with any two of the three being able to sign cheques.

As recited above, all of the organisations have risks to manage. In common is the financial risk of funding and cash flow. For some of the organisations, other risks also play important roles in the decision making process of management (governance).

In the next section, the professionalism and staff support is focussed upon.

Section 8.14 Professionalism and Staff Support

The degree of professionalism is usually perceived by the public to be low in charities. On the contrary, the level of professionalism is relatively high and many of the organisations engage in support and supervision for the staff.

Gamma has support and supervision sessions for all staff and volunteers. In service training is continuous and opportunities for qualifications exist. The increased staff capacity allows the staff to accomplish more with the same level

of staffing. The director also receives support and supervision. Delta also engages in support and supervision for all staff and volunteers including the director. Some of the staff have professional qualifications while others do not. During the interview, Beta training's director stated that support and supervision occurred. However the limited opportunities for observation did not include observing this aspect of the organisation. Cirrus has externally provided support and supervision for the professionally qualified staff. Alpha and Ephraim do not seem to have provided this service to the staff. One person at Ephraim continues English classes. No other development or growth opportunities came to the attention of the researcher. Festal did not provide opportunities for support and supervision officially to the staff. However one member of staff engaged in monthly meetings with the researcher for conversation that also provided support. These conversations also provided extended opportunities to discuss the organisation.

All of the organisations had set patterns of behaviour and standards for the staff and volunteers. These standards were explicit in the case of Gamma and Delta and implicit in the mentoring of volunteers as they were inducted at Alpha. This information was offered as part of the piloting interview but was not observed as no new volunteers were taken on during the period of research. Beta training also has a mentoring of new staff that imparts the standards of behaviour expected. Festal is less explicit, but standards are imparted by the behaviour of the staff as a group. Ephraim was difficult to observe for two reasons. One reason was the lack of new employees. The other reason was the language barrier. The conversations were in English when the conversation was directed at me. However among themselves and, as expected, with clients the conversations were in their native tongue.

All of the organisations encourage appropriate standards of dress. The wearing of jeans and t-shirts is discouraged and conservative clothes are encouraged. These standards add to the perception of professionalism. These standards also contribute towards a slightly more formal tone to the relationships. At some of

the organisations like Cirrus, Delta, Beta training, and Gamma there is an expressed idea of boundaries. By this they mean that the relationship with the clients is friendly but professional and not too overly familiar. That is not to say that the relationships are stiff and formal. On the contrary, the relationships would seem informal if the underlying currents and relationships were not observed.

Although professional and reasonably balanced as formal/informal, the organisations' staffs have to be viewed in the context of the "voluntary sector" question. Why is the person in the voluntary sector instead of the private or public sector? 'The cause' may be a primary reason. The existence of a disability such as dyslexia or deafness or epilepsy may have been an impediment at the beginning of their career. For others, the flexibility of hours to manage family responsibilities at the same time as working was the reason. For yet others, difficulties with social skills leads them to the voluntary sector. This aspect will be explored further in the discussion and conclusions.

In the next section, the related concept of boundaries is explored.

Section 8.15 Boundaries

Although dynamic and positional within the voluntary sector as a whole, each organisation seems to have 'boundaries' questions. Gamma has boundaries between staff and clients. The same is true of Cirrus, Delta and Beta training. Alpha frequently has a counter physically separating the volunteers from the customers. In addition the volunteers wear a pinafore to denote their position and their association.

Cirrus enforces the professional boundaries between staff and clients. The staff and the director explained that their professional qualification included a code of ethics. The code of ethics required that the staff maintain a professional distance (boundary) from the clients. This requirement added to the legitimacy of a boundary issue.

Section 8.16 Legitimacy

The organisations are all perceived as legitimate. The Webster's dictionary defines legitimacy as "the quality or state of being legitimate". On that same page (665), legitimate is defined as "2. being exactly as purposed: neither spurious nor false, 3.a. accordant with law or established legal forms and requirements 4. conforming to recognized principles or accepted rules and standards." A second entry for legitimate defines it as "a (1) to give legal status or authorization to (2) to show or affirm to be justified".

In Institutional Theory the term legitimacy is used to explain a motivation of organisations. Looking at the organisations in this research, all of them are legitimate. By this is meant that all of them have abided by the legal rules required to bring them into legal existence as separate entities. As all except Festal are charities, most all of them have been found to be, and are recognised as, charities. This fits with the 3a definition. As seen in Section 8.10 the operations and functions undertaken by each organisation are relatively standard. The offices mimic the offices in the private sector in that computers, telephones, mail, and other functions are exhibited in the same ways as the private sector. The financial transactions are recorded. The authority and lines of communication are laid out and understood. This aspect was reviewed in Section 8.11. The recognition of the organisations as charities could be considered a giving of legal status or authorization as described in definition (1) above. The difficult definition to meet is 2. "being designed as purposed". The question would still remain as to whether the structural aspects of each organisation as described in Section 8.11 match the needs and purpose of the organisations as described in Section 8.10 on operations and functionality. That is an interesting question but not the subject of this thesis. Therefore that question will have to be pursued at some future time.

Having confirmed that the organisations are legally constituted and functioning, they seem to meet the definitions.

Up until now the aspects of the organisations explored were internal in nature although they frequently reflect structures and practices perceived from outside the organisation. In the next section we explicitly explore external influences on the organisations.

Section 8.17 External Influences

The external influences on the organisations take many forms and come from many sources. The sources include collaboration with other organisations, networks, regulations from government, oversight by regulators, oversight by professional organisations, funders requirements, and auditors requirements. The following subsections will address these sources of influence one at a time.

Section 8.17.1 Collaborations with other organisations

During the time of the research several conversations were held with each organisation. Also the interviews touched on working with others. By these means, the picture of collaboration was formed. Cirrus held joint art exhibitions with an organisation in Glasgow. The other organisation could not be imitated as their circumstances and funding were different from Cirrus, according to the director of Cirrus. Delta has a member of staff seconded from a college. The psychology and other classes are registered through the auspices of another college. The organisations work together for the benefit of the clients. Gamma has meetings with other respite care organisations. Also, Gamma works with SCVO to provide learning experience for trainees on back to work projects. In addition, Gamma works with the academic community to understand better the condition that the clients have. Gamma also works with a university to provide opportunities for students to more accurately perceive the activities involved in social work. Ephraim works with the City of Edinburgh to provide information

and assistance to clients from the ethnic minority population. Ephraim also works with companies from the ethnic community to provide special functions for clients/members. Alpha works closely with the hospital and with its suppliers. Festal works closely with its suppliers. Having less contact with Beta training, less informal information about collaborations was observed.

Section 8.17.2 Networks

Beta training belongs to SCVO, as do Delta, Gamma, Cirrus, and Ephraim. Generally the organisations also belong to EVOC since they are in Edinburgh. Delta belongs to Inclusion Scotland, a network of organisations for persons with disabilities. Gamma has contacts in various health related fields. The various respite organisations have pooled together for the allocation of clients to the various centres. Even so there is a waiting list for Gamma's facilities. Cirrus has a network of professionals interested in their work. Alpha and Festal generally stand alone as independent organisations rather than part of a network. Ephraim's network with other ethnic minorities and their organisations is less obvious, but exists. The director arranged for speakers at the supervisory committee meetings that included a person from another organisation. Gamma and Delta know of the Scottish Enterprise organisation. During the research Gamma contacted Scottish Enterprise to arrange for the consultancy service (free) in preparation for the Investors in People interviews. Delta includes Scottish Enterprise, the Chamber of Commerce and the Confederation of Business and Industry (CBI(Scotland)) in the steering groups, when appropriate.

Section 8.17.3 Regulations from government

All of the organisations have regulation by the government in common. Alpha has an Annual General Meeting where the accounts are laid before the members. Also the accounts are available to the regulator (now OSCR). Likewise, Delta and Cirrus's parent organisation has an Annual General Meeting where the accounts are laid before the members. As required by law, the accounts are

audited and filed to the regulator. Ephraim as an unincorporated organisation also has this same routine including the annual elections of officers, all in accordance with law. Beta training, Gamma, and Festal are incorporated. Beta training and Gamma have the same routine as Alpha, Ephraim, Delta and Cirrus. However, in addition, they have annual returns and sets of accounts filed at Companies House. Festal, as a cooperative, has the same routine as Beta training and Gamma. However, in the case of Festal, the resultant paperwork at Companies House is slightly more extensive. The shareholders of voting and nonvoting shares including the cooperative farmers have to be declared.

Section 8.17.4 Oversight by Regulators

Formerly the organisations maintained a record of the audited or financially examined accounts to be provided to the charity regulator if requested. Now there is an annual return and accounts are to be filed with the return by a set deadline of six months after year end. For organisations with turnover exceeding £25,000, there is also an annual monitoring form to complete and return. The resultant information will be scrutinised at a later date to determine whether the object of the organisation in its annual return match the objects listed in the official documents (whether constitution or memorandum and articles). Therefore, during 2005 - 2007, the level of oversight has been increasing.

Section 8.17.5 Oversight by Professional Organisations

The members of staff of Cirrus advised the researcher that they belonged to a professional association. The members of staff of Delta belong to various professional organisations. The professional associations administer the qualifications. Some of the associations require continuing professional development to be taken for a person to maintain the status of qualification. The accountant for Delta and Cirrus at the parent's office is under this type of supervision. Gamma's staff have qualifications in health care. The director has

the professional qualification that includes a code of ethics. No data was collected however to evidence influence on Gamma. Festal has a Soil Association mark of organic origins of products. The mark brings with it monitoring and regulations from the association. The monitoring and regulations influence the way the processes are systematised. It also influences where and how the products can be sourced for acquisition. The staff of Beta training also have professional qualifications. The various professional associations also have codes of ethics to be followed. These are personal codes of ethics that are in addition to the code of ethics and policy of each voluntary sector organisation. The association therefore influences the behaviour and conduct of the staff. In addition, the associations influence the level of knowledge of the staff in that specialty. This knowledge of changes and of better practice in their specialty can influence what, and how, the organisation does its activities. The person that is influenced by their professional association are expected to bring that knowledge to the attention of the organisation. In turn the organisation will use the information to adjust the processes and procedures of the organisation. No evidence was observed at Alpha of this type of influence. Little evidence of this type of influence was observed at the other organisations. On the other hand, the researcher also is influenced in this way and additional information informed the researcher. This researcher in turn made known information to the organisations and in this way influenced the organisations.

Section 8.17.6 Funders' Requirements

A common theme by the directors was the reporting required by the funders. However the organisations with complex funding arrangements stated that the reporting was different for each funder. The requirements were different. The lay out of the data to be provided was different. Therefore no standard method of accessing the requisite information could be created for all funders. Each funding created its own report format for completion periodically. The data required was not just assembled differently. The actual data to be assembled and

reported was different. The report for one European project was observed. It was 95 pages. The data included an allocation of each and every cost. Also various aspects of time, personnel and client times were required.

Section 8.17.7 Auditors' Requirements

The smallest of the organisations in a financial sense are Ephraim and Alpha. Being less than £100,000 per year, they are only required to have an independent review. Beta training, Cirrus, Gamma Delta and Festal have audits. The legal requirement is now a qualified financial independent examination (unless the organisation's document requires an audit). The accounting industry produces the Statements of Recommended Practice (SORPs). However an accountant or auditor is required by the industry to follow SORP or explain why the SORP is not being followed. Under these circumstances, most auditors and accountants require the SORP to be followed. This means the charities are coerced into following these directives. The SORP 2005 is being implemented and means that the statements are restated. The implication and ramification is that the organisation must learn to read the new statements and adjust their records accordingly. This means that transactions need to be recorded in the correct places so that they flow to the correct places in the statements as revised. This also means that the funders need to be assisted in properly reading and interpreting the revised statements. Of course it also means that the statements take longer to prepare and are, therefore, more expensive to the organisations. The exception is Alpha who prepares the data comprehensively for the accountant and is not charged for their report.

Section 8.9 Preview of Chapter 9

Chapter 8 has reviewed the data gathered during the research at each of the organisations. Chapter 9 will now investigate more closely this evidence that has been collected in order to address the question posed at the beginning of this thesis concerning the relationship between the method of financial management utilized and the method of strategic planning employed by that organization.

Chapter 9 Findings on relationship between the method of financial management utilized and the method of strategic planning employed

Section 9.1 Overall View

The first question to address is whether there is any relationship between the method of financial management utilized and the method of strategic planning employed by an organization. Before presenting evidence, the term "financial management utilized" needs to be defined. (See Section 6.1.2.2) In this research the term "method of financial management utilized" is used to mean the way that the organization went about managing its financial resources. These choices range from bookkeeping in a simple manner to a more complex series of spreadsheets to a financial software programs on the computer. If a computer is employed, the choices also include the level of complexity of the computer software used and the sophistication of the reports created for management.

Section 9.2 Alpha

Alpha uses a manual system of bookkeeping which is reflected in a computer based bookkeeping system of maintaining a cash book on Excel spreadsheet. The self sustaining, single source revenue stream allows for such a simple bookkeeping methodology. The addition of the Excel spreadsheets does not add to the level of sophistication of the reporting. The level of planning is best reflected in the chair's reaction to this type of question in October, 2002, which said Alpha "does not need to plan for the long term. We are happy with what we do and do not need that kind of thing." An accountant annually performs an independent financial review of Alpha and prepares accounts for its annual report to the members. Continuing assistance rendered by the researcher has meant that a monthly bank reconciliation was performed and that a general overview of the financial situation of Alpha has been maintained. The basic bookkeeping system is mostly paper based and old fashioned, well reflecting the attitude of Alpha toward planning. Fortunately the reporting required by the charity regulations is also less sophisticated.

Section 9.3 Beta Training

The director of Beta was interviewed and stated that “We could not be accessing the funding we are now if it hadn’t been for the training that [the financial person]...received.” The quote is alluding to training provided through the European Social Fund of capacity building in the voluntary sector. The financial person was trained as a Certified Accounting Technician through the Association of Chartered Certified Accountants. Beta Training currently uses a sophisticated software system for accounting, in lieu of a complex series of spreadsheets that was used previously. The various projects under Beta Training originally had different financial years and, coupled with filing requirements at Companies House, a continuing series of reports was required during each year. Later the various financial years were merged so that only one set of reports is now required. During the second questionnaire phase, one of the members of the board of directors of Beta Training replied that the member of the board of directors was trained in “The EFQM Excellence Model” and used it to underpin the work of the Board. The interviews with the director during May 2003, and the acting director during August 2004, did not mention a vision day, or an away day, or a retreat. Thus it is unclear how much planning is actually involved in the work of the board. However the impression was obtained that planning extends to the length of the funding which is currently about two years in advance.

Although a complex pattern of financing has emerged, the reliance on certain particular funders became apparent. The timing of all funding did not exceed three years and thus the level of reserves is limited. Whether the funding time horizon and the planning horizon matched remained unclear.

Section 9.4 Cirrus

As a part of a larger charity, the financial management of Cirrus is a complex arrangement. The administrator coordinates the authorization of invoices by the staff and the recording of the expenses (and their payment) by the central staff. The control of a budget is awkward and time consuming. The funding of Cirrus is mainly from one source. However additional, smaller sources of funding are

also obtained which required record keeping and reports. Cirrus finds it increasingly difficult to track the source of and the use of funding for itself, in even a preliminary way. Therefore a complex software based computer system is utilized in a complex manner in order to allow the various reports to be prepared. In addition, certain non financial reports are tabulated by the administrator. These include attendance and levels of involvement by members, volunteers, friends and other stakeholders. Finally, certain databases of stakeholders are also maintained by the administrator.

Cirrus has been encouraged to prepare a business plan and to pursue strategic planning. The members have periodically pursued an understanding of the vision, mission, aims and objectives of the organization. The staff have separately pursued the vision, mission, and aims of the organization. These separate reports were integrated and passed back and forth in order to aid communication. However, the staff experienced difficulties with continuing with planning sessions. After a hiatus of about a year, the staff again met once as a group but again experienced difficulties in arranging for meetings and to advance the concept of planning without assistance. These difficulties will be more fully explored when later questions arising from the research are addressed. No formal tools or models were used for planning since general approaches seemed to work best. Thus an attempt to use a more formal model met with resistance. One person said that "The jargon gets in the way." Another comment was that "This is too much for us." Again, these aspects will be more fully explored when the later questions are addressed. At the project level, this low level of financial management of Cirrus can be matched to the low level of planning.

Section 9.5 Delta

As a project within a larger organisation, Delta has a complex financial management structure. Delta is large and complex in its own right with myriad sources of income that require complex and detailed reporting emanating from financial and non financial aspects of the various sub projects. Some of these

sub projects have steering groups and matching funding that is both financial and non financial in its origin. Further the administrator attempts to use spreadsheet recordkeeping of the fund accounting to track the financial aspects that are actually recorded and paid at the central staff level of the parent organisation. To add to these difficulties, Delta has been in the process of merging itself and a sister project into an even larger, and more complex, organisation. A computer based model has been used to provide guidelines for the self assessment and external assessment of the planning of this enlarged organisation. The external assessment team has encouraged Delta to pursue a more robust planning model such as the EFQM Excellence Model ®. During a conversation with a new member of staff, just after the external assessment was successfully accomplished, the staff member noted the external assessment was scheduled for two days but only took a day and a half to complete. The researcher suggested that perhaps the vision day held over the summer and the work with the director and staff may have contributed to the strength of the evidence and the speed with which the external assessment was completed. The complex, extensive reporting needed by Delta can be matched to the planning entailed in the planning model used.

Section 9.6 Ephraim

Funding for Ephraim is obtained mainly from one source with some additional funding from other sources. The financial management is accomplished by the administrator using spreadsheets. Non financial tabulations are accomplished by all members of staff on recording sheets which are tabulated by the administrator. As a part time person, the administrator has provided places for receipts, invoices, etc. to be placed for later retrieval. As part of the induction of new persons in office, the procedure therefore includes where to place receipts, invoices, etc. for later handling by the administrator. Generally such fairly simple accounting is matched to fairly simple funding and reporting. The director reported to the researcher that the funder was anxious to include training for the board in the forward plan with which desire the director concurred. Although the organisation has been contacted at various times, this suggested

training and planning have not been pursued. One particular member of the board spoke to the researcher in confidence. That board member's conversation made clear indications that some members of the board had visions and expectations. On the other hand, one of the questionnaires was returned by a member of staff with clear indications that not all members of the board understood the roles and responsibilities that their position entailed. No evidence was obtained to indicate the current use of any formal tools or models for planning.

Section 9.7 Festal

Festal uses Sage computer accounting for recordkeeping and payroll. The financial person is a certified accounting technician with many years of bookkeeping experience. This complexity of Festal's accounting is matched by the stakeholder reporting requirement which is extensive. Besides reporting to the Companies House, the organisation reports to owners, employees, and participating producers. As an organisation, Festal has been growing and has experienced concerns consistent with growth. During 2004 and 2005 a series of meetings were held to develop a plan for the longer term. During the period of research the decision was made to rebrand the organisation and to expand the lines of products. Although a longer term view is mentioned frequently, a business plan was not a prepared document for viewing by the researcher.

Section 9.8 Gamma

The use of a computer based system would allow for extensive reporting by Gamma. The financial person is well trained. The funding is from large sources and the reporting requirements are standardized to quarterly reports. In November 2004 additional planning statistics were accumulated. Currently Gamma has a greater capability than it is utilising. However plans are being made to apply for funds which will require more extensive reporting. The board is capable of planning and did engage in a vision day with the staff and volunteers during summer, 2004. A recognized, externally assessed tool for

general strategic planning is in use but none of the formal models for financial planning are currently being used.

Section 9.9 Cumulative Summary

Generally the more simple methods are used by organisations which have not exploited strategic planning. Those organisations with more extensive financial recording methods in place have generally engaged in longer term planning.

Figure 9.9.1 Summary of Extent of Basic Planning & Reports

Name		Business Standards	Away Plan	Finance Days	Finance Person	Funder Reports	Other Reports
Festal		3 Yr ?	Yes	Mgt, books	CAT	N/A	Corp.
Gamma	IiP	3 Yr ?	Yes	Mgt, books prep	BS	Basic	Corp.
Cirrus		3 Yr	Hours	Admin- Books	A/C	Basic	
Delta	IiP,SQMS	3 Yr	Yes	Mgt, books some prep	Admin- A/C	Extensive	
Beta	IiP	3 Yr	Un-known	Prep	CAT	Extensive	Corp.
Ephraim		3 Yr		Books	Admin	Basic	Basic
Alpha		None		Books	Admin	N/A	Reg.

Key to Figure 9.9.1

IiP means Investor in People. SQMS means Scottish Quality Management System.

Books means bookkeeping through cash book or spreadsheets. Prep means some preparation for the audit is done by the organisation. Mgt books means management reports are prepared.

Admin means a bookkeeper/administrator. BS means a bachelor's in accounting. Admin-A/C means an administrator at the project but an accountant at the parent.

Corp. means reports required of an incorporated entity.

Reg. means reports required by a regulator of a charitable body which exceed the reporting required by a funder.

Figure 9.9.2 Summary of Planning Capacity Findings

		Strategic	Staff		
Organisation	Planning	Planning	aware	Systems	Governance
Festal	Yes	They think so	Yes		
Gamma	Yes	Yes	Yes	Yes	Yes
Cirrus	Yes	Trying	Yes	Mostly	
Delta	Yes	Yes	Yes	Yes	
Beta	Yes	Trying	Some	Yes	Yes
Ephraim	Yes	Director tries	doubt		
Alpha	Some	No	No		

The range of results observed reflects the expected relationship.

Alpha has minimal bookkeeping and minimal planning.

Ephraim has a negotiated three year business plan and spreadsheet bookkeeping.

Beta Training has planning and attempts strategic planning. Beta Training also has more extensive financial reporting capability.

Festal plans, but is limited in the extent of the strategic planning undertaken.

Festal has financial management capability and extensive reporting capacity.

Cirrus has increased the planning and attempts at strategic planning during the period of research. The limited local reporting is augmented by extensive financial capability at the central office of the parent organisation.

Delta has strategic goals devised in a participative manner and extensive financial reporting capacity.

Gamma has strategic planning by the team and extensive financial reporting capacity.

As shown in the foregoing paragraph, the more extensive the capacity for financial reporting is reflected in more extensive planning for the future.

Section 9.10 Preview of Chapter 10

The insights gained in investigating the relationship between the method of financial management utilized and the method of strategic planning employed provide only one aspect of the organisation. Chapter 10 will build upon the data already explored and provide a clearer picture of relationships between the various aspects of each of the organisations, especially between the financial management system and the amount and type of funding accessed.

Chapter 10 Findings on a relationship between the financial management system employed and the type of funding accessed

Section 10.1 Overall View

The second question, which concerns the type of funding accessed, is related to the first question which was addressed in Chapter 9. While the first question asked about financial management versus strategic planning, the second question investigates the relationship between the financial management system employed and the type of funding accessed. These terms are defined in Section 6.1.2.2 on page 98.

Section 10.2 Alpha

The cash book, which is repeated in the Excel spreadsheet, is simple to employ and simple to report. The turnover at the beginning of the research (2001) was approximately £100,000 per year. However the turnover for 2005 is predicted to be approximately £30,000. The funding accessed is generated by Alpha itself and is sustainable. This arrangement is fairly simple to administer and to analyse. Both the financial management system and the funding accessed are simple to implement.

Section 10.3 Beta Training

The computerized system employed can be and is used for extensive reporting to many funders of many types. These range from European programs to local authority funding, as well as grants from trusts to self stimulated monies. A complex financial accounting system is available and is matched to the complex reporting required. As noted previously, the director of Beta Training has stated that the funding accessed by Beta Training could not have been successfully accessed without the training received by the financial person. This is because certain expenses need to be allocated among the subprojects in proportion to usage. As a result both the financial management system and the funding accessed are complex.

Section 10.4 Cirrus

As previously noted, the majority of the funding for Cirrus is from one source with standardized reporting on a quarterly basis. At the lower levels, the reporting capability is limited but at the central office level a more complex, computerized system is employed which can provide more and better reporting. However on the lower levels, the financial management system and funding accessed are relatively simple. However at the parent level, the financial management system and the funding accessed are complex.

Section 10.5 Delta

Each of the individual projects of Delta have subprograms that are individually budgeted and individually funded. Each subprogram must therefore be capable of reporting to the various funders and other stakeholders as well as to the parent. Thus the two sister organisations of which Delta is now composed need to be merged financially before reporting to the parent, umbrella body. Reporting included match funding that may be either financial or non financial in scope (i.e. space, personnel, materials, etc.).

The highly complex system of funding for each of the now merged sister projects could only be successfully reported to a myriad of funders, and as required by law; by using the matching, very complex systems which were available at both the local and central office levels. The understanding at the staff level of the budgeting process and financial systems is increasing. The need has been recognised that Delta must be able to control the spending. The financial person is being trained by using a more sophisticated financial software which will parallel the accounting systems used by the parent organisation.

Section 10.6 Ephraim

The part time financial person at Ephraim keeps spreadsheets to record expenses versus the budget. The simplified, centralised system insures that all transactions are recorded.

The fairly fundamental method of recording is matched to the funding accessed that is mainly from the local authority with a few additional pieces of funding added. This additional funding is usually specifically intended for one off events and therefore easy to be accounted for as a special fund unto itself.

Both the financial management system of, and the funding accessed by, Ephraim are simple to implement.

Section 10.7 Festal

The sophisticated reporting capability of the computerized system of Festal matches the large and growing lines of the business that form the self sustaining basis for operations. The financial management system is centralised for ease of implementation by one person even though there are complex ownership arrangements. In addition a combination of financing arrangements through the banking systems add a level of complexity to the financial management issues. The funds accessed are ultimately self generated and sustainable. Therefore a more complex, sophisticated financial management system is matched to a clear source of funding which has an additional layer of complexity superimposed upon it.

Section 10.8 Gamma

The computer-based system of Gamma allows for extensive reporting and the funding of Gamma is from large sources. Therefore the financial management system is complex and sophisticated. The funds accessed are mostly from one source but with additional amounts of funding and donations added. Each of these portions needs reporting to funders and stakeholders together with the overall financial reporting prepared for regulators and other stakeholders. In this particular instance Gamma currently has a mismatch. The financial management system has a much higher capacity than is currently utilised. The very existence of the mismatch allows the director to embark on the planning for the future that will entail more extensive reporting requirements.

Section 10.9 Cumulative Summary

Generally the simple capability in accounting is matched to simple sources of funding. As the evidence observed confirms, a higher capability is utilized to access more complex funding arrangements. The one exception is the organization that has, over recent years, increased the capacity of the accounting system and the capacity of the financial persons who operate the system. This recognized higher capacity is now ready and poised to take on the larger, more complex funding arrangements which will allow planned growth and development.

The range of results observed reflects the expected relationship.

Alpha has minimal bookkeeping, and single source funding.

Ephraim has spreadsheet bookkeeping, and limited sources of funding.

Beta Training has more extensive financial reporting capability. The funding sources are complex and from many sources.

Festal has financial management capability and extensive reporting capacity.

The original single source of funding has been developed to many customers and many methods of retaining the relationships, including the internet.

Cirrus has limited local financial reporting capacity that is augmented by extensive financial capability at the central office of the parent organisation. The original single source of funding is now regularly augmented by additional grants and fundraising.

Delta has strategic goals devised in a participative manner and extensive financial reporting capacity. The complex funding is from many sources.

Gamma has strategic planning by the team and extensive financial reporting capacity. The funding from several departments of the local government is augmented by grants and fundraising, as well as gifts from members and friends.

As shown in the foregoing paragraph, the more extensive the capacity for financial reporting is reflected in more extensive funding from more sources.

Section 10.10 Preview of Chapter 11

In Chapter 11 the deeper question of evidence of barriers to planning will be addressed using evidence from the overviews chapter and from the statistical results gleaned from the questionnaires and supplemental questionnaires.

Chapter 11 Findings on extra barriers to planning in the voluntary sector not present in the public or private sectors

Section 11.1 Overall View

While the first two questions have been outwardly visible and related to the financial aspects of the organization, the remaining questions being investigated cover other, less visible areas of the organisation such as human resources and ethos issues. Therefore the third question relates to whether there are barriers to strategic planning for the small scale, voluntary sector organisation.

As related in the first two chapters of this thesis, the small voluntary sector organisation is in many ways much like the small to medium size enterprise portion of the private sector. However there are certain differences that are characteristic of the voluntary sector. As cited in Chapter 2, these include commitment, trust, values, lack of market mechanism, difficult to measure objectives, chronic resource scarcity, and diverse stakeholder objectives, as well as governance, and strategic delinquency. Some of these characteristics also can be seen as barriers to development of small scale charitable organisations in the voluntary sector. For example, chronic resource scarcity and lack of market mechanism could be related to a lack of strategic planning. The findings of this research relative to this question will now be reviewed.

Section 11.2 Alpha

Section 11.2.1 Alpha Evidence

This all volunteer organisation has been changing in recent years. The link to another organisation means that Alpha is interdependent with this other organisation and its wishes. As a result, Alpha has been reducing its activities and size. This reduction exercise has occupied much time, thought and energy from the governing board. Even so, the organisation has continued with as much of its activities as possible. The doing of good work considered to be an end in

itself, the board of this organisation has not expressed any need to plan for the future. The chair of the board, the treasurer and the secretary all concurred in this view. While an altruistic wish to help others is still very evident, the need to avoid adverse publicity, and the need to help volunteers to retire gracefully, has occupied the time and attention of Alpha. The self-sustaining activity, which provided the funding for Alpha, was only one aspect of their work which required a large work force to serve. The larger, purchasing workforce worked for the linked organisation. When a large portion of that other workforce was moved to another location, the service rendered by Alpha was reduced in level. Alpha made no effort to engage in a new marketing mechanism or to engage in its fundraising activities at a new location. Some of the members of Alpha now do serve certain needs of the other organisation at its new location but without the added concern of the fundraising activity.

The expressed and observed barriers to strategic planning to Alpha therefore seem to be 1) a bias against planning, 2) a lack of time, 3) a lack of marketing, and 4) a need to manage changes.

Section 11.2.2 Alpha Analysis

The office is manned on a part time basis. The small space is shared. The sharing is achieved by scheduling the use of the phone, desk and file cabinets. The perceived attitude is that good practices will be imitated. The use of letterhead and typed correspondence mimics business practices. The use of a cashbook and a filing system for paid and unpaid invoices also reflects business practices. All of these actions reflect a taking for granted that the past experience of business offices would reflect good practice. Taking notice of good practice leads to mimetic behaviour.

The office is locked when not in use. However the key is in a drawer and other members of the organisation are aware of its location. In the office the file cabinet is locked. However, again, the location of the spare key is known by

several members of the office staff of the organisation. Some of the records are in folders in the office, but not in the locked file case. Items to be read and attended to are readily available. No security is placed on the items once they are on the desk in the office. This level of trust exhibited in handling records reflects the commitment and attitude of persons in this organisation toward each other. This open attitude is not generally evident in the private sector, where security controls are more in evidence.

During the research, the organisation was encouraged to provide cross training and back up to basic duties. When one person was unwell for a month, the cross training allowed the organisation to continue to operate without delays or serious difficulties. A learned good practice began to be taken for granted and to be institutionalised in this office. In addition, for security, the organisation was encouraged to institute a routine of backing up the computerised system of bookkeeping onto a disk onsite and periodically onto a disk offsite.

Although all regulatory requirements were being met, this pillar of Institutional theory was not primary to the organisation. Although the organisation seemed to be exhibiting all the facets of Institutional Theory, it was leaning most heavily on the fourth pillar, that is to say, on the commitment and the values aspect. The organisation believes in "the cause" and therefore continues to provide good services even in the face of difficulties.

Section 11.3 Beta Training

Section 11.3.1 Beta Training Evidence

During the time of this study; the director of Beta took a leave of absence, the members of the Board changed, and the funding for Beta Training began to shrink. The time and attention that was needed to adjust for the leave of absence of at least six months was significant. The basic decision to have the financial person to move up and to cover the director's position provided a degree of continuity in practices and procedures. However this also meant that the

financial position then needed to be covered. The acting director was very competent and capable, but was also quick to point out that the acting appointment was only temporary. An informant later advised the researcher that the director of Beta Training had decided not to return. The Board had decided to advertise for a new director.

The members of the board represent various stakeholder groups and the members of staff actively encourage persons in those groups to become the representatives. However the members of staff are anxious to recruit persons who hold the same view as the staff. During an observation session, one member of staff was speaking over the telephone with one potential member of the board, encouraging the person to seek the position. During that same morning, another member of staff was recruiting by telephone another person whose views more closely matched the views of that particular member of staff. Vacancies on the Board were also discussed openly by two other members of the staff in front of the researcher.

Beta Training has pursued and obtained a continuing external recognition based on a planning tool (Investors in People). This accomplishment also required a commitment of time and energy. Beta Training had also prepared several applications for funding. Some resulted in contracts or grants. Other applications did not. The time and energy expended in these other applications was therefore unfruitful.

The current sources of funding will expire at the end of 2007 and, so far, no new or additional funding sources have been located. The current, multiple sources of funding have partially cross-subsidized the users who have paid for services. Most users do not pay for the training received. The funding is currently provided by Europe and the local council. Therefore, the future of Beta Training is uncertain at present.

Thus, the perceived barriers to strategic planning for Beta Training are 1) time, 2) changes already taking place, 3) uncertain funding for the future, and 4) changes in the staff (such as the director). In addition, the interviews revealed a lack of insight into the planning models available. However a perception of the voluntary sector being different from the private sector was expressed.

However in contrast to the foregoing observations, were the responses to the questionnaires which included a question about areas most needing improvement. The answers were ranked from one to five. The top ranked areas were *leadership, strategic thinking, and time of the board*. These three areas received a total of 25% of the responses. (15 out of 60). By adding *policies, strategic implementation and user/member focus – attitude to beneficiaries*, an additional 13 responses are accounted for a total of about 47% of the responses. There were over thirty possible areas from which to select. Therefore the selection of only six areas for about half of the responses seems significant. Of time, change and funding, only time was a consistent response between the observations and the questionnaires.

Section 11.3.2 Beta Training Analysis

The well run office of Beta Training with the control systems of business practice in place reflect the perception that these orthodox systems which mimetic business would be conceptually correct. The Beta Training office reflects many elements of a typical business office.

Although record keeping and systemic approaches were used, they are not primary to the attitudes of the staff. Again, regulatory requirements are met in timely fashion, but are not primary to their goals. The goals and motivation are stated to be related to the commitment and values. That having been said, this organisation imitates better practice by stretching to meet the standards set by the private sector. Their governing board has identified the normative behaviour of certification and accreditation as being appropriate for Beta Training.

Beta Training recognizes the need to plan and follows more closely to the economic model suggested by Brainard and Siplon (2004). The economic model of internal organisation that is structured and hierarchical is used and efficiency is valued. There is little reliance on volunteerism. However the “voluntary spirit model” (Brainard and Siplon, 2004, 436) is still paramount. Resources are used to increase quality of life of the membership. Motivation for personal fulfilment and self-empowerment were observed. The Beta Training objectives being short to medium term are also indicative of the “voluntary spirit model”. But the areas needing improvement as cited in the responses to the questionnaires reflect the concerns of the economic model. The model of Rainard and Siplon (2004) of a continuum between the voluntary spirit and the economic models complements the Institutional Theory analysis.

In summary Beta Training's needs and concerns reflect the complex, mixed metaphors of the four pillars of institutional theory, as well as a mix of the economic and the voluntary spirit model of voluntary sector organisations.

Section 11.4 Cirrus

Section 11.4.1 Cirrus Evidence

During two recent years (2003 and 2004), Cirrus changed its location and its directors. The deputy director acted as the director for over a year while the director was on extended leave. The leadership situation was clarified when a decision was made by the board to replace the director. In addition, a part time person also decided to retire. The director and the acting director had different approaches to Cirrus and its objectives. This influenced the approach to individual areas of activity and marketing.

The landlord from whom Cirrus had been renting space took the decision to make other use of the space. Cirrus therefore had to find a new location that was within its budget and available. The user group which Cirrus serves includes

vulnerable persons who do not necessarily adjust well to changes in location. Therefore preparation for the move included deciding the degree of involvement of the user group in the decision making processes. This involved deciding the degree to which the staff and governing board would have to make the choices – or at least limit the choices from which decisions by the users could be made. For example the useable locations available needed to be limited to those on bus routes.

The incident that caused the director to be placed on extended leave was controversial and required an investigation, followed by a negotiated settlement. The grievance process and procedures had not been updated when other changes had been made in good practice. A need for overhaul of the procedures in the grievance area is needed but because of pressures of time and other requirements, this area will not receive immediate attention. The cost of settling the differences became a point of concern. A perceived point of concern was that the director could demand such a settlement just when the financial position of Cirrus was critical. This made other, necessary decisions all the more difficult to make.

The acting director presented to the user group, and the staff, a more open decision making process with more of the choices to be made by the user group. The user group rose to the challenge and has been able to collectively decide more issues for themselves. As part of the opening of the new location, a fundraising event was staged that raised £1,800. The arrangements included the provision for guests to have wine on the premises. This was a major variation from the basic policy which does not allow alcohol on the premises.

The supply of persons to staff the organisation is limited to persons who have been trained in the particular area Cirrus serves. Thus, the replacement for the part time person and the replacement of the director were significant events.

The observations of Cirrus provided evidence that the barriers to strategic planning that needed to be overcome included 1) policies and procedures, 2) marketing, 3) money, 4) personnel issues, 5) distractions, and 6) commitment of some persons.

The questionnaires to the staff of Cirrus requested the staff to select, from a list of over thirty items, the five areas needing the most improvement. The lack of money (and other resources) represented 20% of the responses. Communications commanded 16% of the responses. Time of the management team represented an additional 12% of the responses. Trust and the planning process received 8% of the responses. Thus these five areas account for 64% of the responses.

During the interviews lack of time and money were mentioned. These two areas also were informally mentioned by various members of the staff at various times.

Consistently, therefore, the barriers being encountered by Cirrus were 1) time, 2) money, 3) other resources, and 4) communications.

Section 11.4.2 Cirrus Analysis

Under Institutional Theory, organisations tend to mimic successful organisations as well as follow the legal requirements. These precepts have been followed by Cirrus. Interestingly the staff did identify an organisation which it wished to emulate. That organisation was funded from another source and was in a different geographical area. Therefore Cirrus experienced a more subtle barrier of being blinkered to the need to compare Cirrus to other organisations in like circumstances. Cirrus is not like the organisation they are attempting to emulate, except in the actual work undertaken. The funding, organisational and administrative arrangements of Cirrus differ from the organisation they wish to emulate.

Cirrus was unaware of the existence of other models and tools that could assist in planning and development and thereby overcome the more obvious barriers. This blinkered approach is assumed by the “voluntary spirit model” of Brainard and Siplon (2004) where “all organizations are not alike. Nonprofits occupy an important place in a democracy. And individuals are motivated by mutual obligation, personal fulfilment, and self-empowerment.” (Brainard and Siplon, 2004: 451)

On balance Cirrus exhibits more of the voluntary spirit model than the economic model which exists in an environment of funders that emphasise the economic model. The main funder of Cirrus requests evidence of outputs and evidence of meeting targets. While the institutional model’s pillars are all present, the commitment and values pillars are more valued in Cirrus than the business practices.

Section 11.5 Delta

Section 11.5.1 Delta Evidence

During the observations, Delta had several subprojects in progress or starting at the same time. The marketing/rebranding of one of the subprojects competed for attention with applications for both new and renewal funding. The team effort was evident at Delta as was the dependency on computer technology. The attainment by Delta of an externally assessed standard was based on computer based evidence gathering. Through the use of a vision day, weekly team meetings, and constant email connections, Delta makes an effort to create communications and to create a consistent focus. However there is the impression that so many subprojects robs the organisation of a consistent single theme for commitment and focus. In addition the organisation continues to have a scarcity of resources.

Even though the organisation uses information technology extensively, the need for greater communications becomes evident. Notice of a meeting was received

five minutes before the meeting. The level of importance of the meeting was not conveyed. The volunteer was told “It is up to you” as to whether the volunteer should attend. The member of staff did not attend. Learners were not advised of the meeting until just before the meeting.

Disaffection with part-timeism and of volunteers feeling dissatisfied was sensed in the comments accompanying the questionnaires. As part of the questionnaire completed by staff and volunteers, the areas most needing improvement selected most frequently were lack of money and other resources. Eighteen of the possible 85 valid responses amounted to a 21% response rate. Ability to measure success and communications received 5 responses each (almost 6%). Other areas receiving 3 or 4 responses were user/member focus, organisational focus, participative process, democratic process, strategic thinking, leadership, trust, and common objectives.

During the interviews, the director was concerned with all the areas of Delta and its shortcomings. However paramount was both time and money: especially as compounded by the merger with a sister organisation. Still, the sense of helping the disadvantaged and valuing the individual pervades the environment.

Consistently, the lack of time and resources is identified by the organization as the greatest needs.

As part of the same questionnaire, and using the same list, the staff and volunteers were asked to select the most important areas. Of the 110 possible, valid responses, 26 (almost 24%) were centred on planning. These were planning process (11), strategic implementation (8), and strategic thinking (7). In addition there was the planning cycle (3). The second general area was scarcity. The lack of money (12) and lack of other resources (7) totalled 17% (19 responses). The third leading area was leadership with 9 responses. Interestingly, the ranking aspect of the selections has a different relative priority in that the first choices among the most important areas needing improvement were lack of

money (5), leadership (3), and planning process (3) totalling 50% of all the first choices (11 out of 22). The emphasis on planning and strategy was discernable as a strong theme when all five choices were aggregated.

Section 11.5.2 Delta Analysis

Brainard and Siplon (2004) would identify the results from Delta as reflecting a high emphasis on the economic model of the voluntary sector and too little emphasis on the voluntary spirit model of the sector. It could also be argued that these results reflect an organisation in transition.

In regard to the barrier to change question, the evidence points to real barriers of 1) time, 2) money and 3) other resources. It also suggests less obvious barriers of 4) leadership, 5) communications, and 6) a perceived need to plan more strategically in order to overcome the more obvious, real barriers. Far more subtle are the barriers which have emanated from the merger of the two sister projects. One group had emphasised the spirit of voluntary sector in its participative, democratic style of majority rule. The other had emphasised the economic model of the voluntary sector in its more hierarchical, but participative style where the leader discerns the consensus of the group and then makes the final decision. The complex mixing of the two sister organizations, each of which was initially each a complex mixture of attitudes and approaches in itself, formed a cauldron of transition. Each of the sister organisations had emphasized 'the cause' as central.

Section 11.6 Ephraim

Section 11.6.1 Ephraim Evidence

Over the two years of observations, the office of Ephraim appeared to run smoothly on a surface level. The members dropped in and received assistance. The information resources were updated. The volunteers continued to provide assistance in their own particular ways: whether it was updating books,

providing cleaning services, or serving meals. The staff had little turnover and the level of record keeping appeared to remain consistent. The reports of activity showed increases in numbers of people assisted by Ephraim. The obvious, but unstated, barrier of language was consistently present. However there were more subtle barriers of access, prejudice, and culture lying just below the surface. During the observation periods, most conversations conducted by the staff in performing their duties were not in English and were not translated. During certain general meetings of the members, the contents of any remarks by the speaker were simultaneously translated into a second dialect so that a second large portion of the group could understand. During supervisory committee meetings, the conversation and reports were in English. The food served, the way of expressing ideas, and the way of approaching management all reflected the cultural origins of Ephraim.

Traditional food was served by Ephraim at all times. However there was a subtle change in the manner of serving to accommodate circumstances and to minimize the risk of passing infections between members. Thus instead of everyone reaching into the common dish to serve their own plate using their own utensils, large serving spoons were placed with the communal dishes so that the large spoons could be used to place food on individual plates.

The relationships at Ephraim between the various members of staff and between the members was cordial on the surface. However undercurrents based on culture were evident to observant persons who were familiar with the subtle indications of differences in relationships in that group of cultures. The fundamental adage of respect for elders was adhered to but, behind the scenes, the true situation was evident. The variations in levels of honour and respect could be clearly discerned. One comment on the questionnaires alleged that some members of the governing body used their position to their own benefit. In another context, an informant commented that follow through was lacking. Finally, a comment was made that some users have accomplished much, even

though they have limited schooling, and that some of the women were unable to attend school in their youth because of circumstances.

One informant advised that there were several related minorities who frequented the organisation and that relationships among the various factions could at times be contentious. Differences in nationality and backgrounds were obvious to the members of Ephraim. Moreover the strata of society within the cultures influenced position and status of members.

The members of Ephraim who requested assistance were expected to come into the office at set times. According to the reports, the assistance was most frequently with language support. Housing, liaison to the local council, and interpreting official reports from the government were also high on the list of requirements of the users.

The lunches for the frail elderly, lunches for the elderly, and befriending of isolated persons are important activities that take place outside the office. The members contribute to the cost of the lunches. The staff arrange for crafts, speakers, and other activities. For some members, transportation must also be arranged. All of these activities demand time and attention from the staff.

Finally the staff also arrange for trips for the members to take. The members share the cost. But again, time and attention are required to arrange for transportation, housing, activities, sightseeing, food, etc. with special attention to the special needs of the members, based on age, capability, cultural requirements, etc.

Few of the questionnaires distributed were returned, but the answers provided by those who did were very revealing. Lack of money and other resources accounted for about one third of all responses. Another 10% cited leadership as one of the areas most needed. Governance and policies was cited by another 10% of the responses. Interestingly, experience was an area cited as needed by

about 6% of the responses. Time of the staff and time of the board only received one response for each.

During the interviews, the director cited time and money as barriers to planning and growth. Also cited was the need for training of the governing board in their roles and responsibilities. But here again the need for translation creates a barrier.

In summary, the obvious barriers of 1) time and 2) resources (including money) were consistently cited, while barriers of 3) language and 4) culture were also obvious. However, less obvious barriers of 5) leadership and 6) follow through were discerned by some respondents.

Section 11.6.2 Ephraim Analysis

It could be suggested that this organisation exhibits too much of the spirit of the voluntary sector and not enough of the economic model of voluntary sector. The smooth running of the office and the meeting of the legal requirements are indicative of the first two pillars of institutional theory – the mimetic behaviour of cognitive processes and the following of rules of the regulative process. The imitation by Ephraim of other organisations is subtle, but nevertheless evident. The commitment to the cause and the integrity exhibited by the members of staff are indicative of the emphasis in this sector of the fourth, evocative pillar of Institutional Theory. Although, having said that, the undercurrents reflect the various foci actually at work.

The coercive nature of the negotiated service level agreement upon Ephraim is pervasive. The record keeping and time keeping to meet the numbers required by the funding agreement pervades the operational aspects of the organisation. The personnel issues are overpowered by the need for a commitment to the basic focus on quality of life for older people.

Section 11.7 Festal

Section 11.7.1 Festal Evidence

The office organisation of Festal is very participative and democratic. The staff becomes a council and discusses issues in order to determine a consensus. The longer-term members of staff could cite a memory of the voluntary origins of Festal and its commitment to ideals. However an undercurrent of a shift in emphasis is evident. The rebranding, marketing, and sales were mentioned frequently. The addition of more product lines and the making of purchases from certified, traceable origins is evident in the office. A separation of duties by roles has been required by volume of activity, and has lead to an identifiable structure. An informant stated that frequently outside persons would call and ask questions. Marketing surveys or questionnaires sent to Festal begin by asking about the legal structure. The complex interaction of legal and practical structure ends most such questions. The resulting perception is one of conflict between the legal form and the actual practice. On the other hand, one of the research questionnaires commented on dissatisfaction with certain changes in that a person was not asked about a change but was simply told that it had been made. This comment would reflect a shift in emphasis from the debate format to the more economic pattern of a formal structure. Further evidence of a shift in structure was the recruitment of an office manager. The members of staff seemed unaware of the difference that hiring an office manager would make. However no concern was expressed when the researcher pointed out the probable implications of the change.

Currently, Festal has no volunteers on the staff. However an informant stated that in times past volunteers would help in the office. In the last year (2004), the organisation embarked on a quest to settle some of the continuing difficulties with differences of opinion. The intent for Festal was to be facilitated toward a renewed common goal or mission. The resultant statement however appeared to be too detailed, too concrete and more like a statement of objectives; rather than being visionary like a vision statement or a mission statement. The usual office

routine of telephone, mail, filing and faxes have continued consistently and the legal requirements have been met. The basic office routines have been institutionalised.

Festal does not appear to recognize a need for comparing themselves to other organisations in this field. The facets of the organisation's operations and the relatively unique legal structure make comparisons to other organisations difficult.

The areas, cited in the questionnaire, as most needing improvement were 1) the planning process (7 responses) and 2) strategic implementation (6 responses). Responses from other areas were leadership (3), cooperation (3), lack of money (3), strategic thinking (2), respect (2), and communication (2). These eight categories accounted for 70% of the valid responses received (28 out of 40).

The most important areas cited in the questionnaires as barriers were lack of money and other resources (4 responses), leadership (2 responses), commitment (3 responses), and strategic thinking (2 responses). Although spread widely, the responses interestingly cited some of the same areas that most needed improvement.

In summary, the observations, questionnaires, and interviews would point to the barriers encountered by Festal were 1) money and other resources and 2) conflicts within the relationships of the persons of the organisation.

Section 11.7.2 Festal Analysis

Although stretched both financially and in other ways, Festal optimistically looks to the future. While all the pillars of the institutional theory are present, more emphasis is currently placed on the first three pillars even though the

origins of Festal are based on commitment and values. The economic model seems to outwardly hold sway based on the office routine and the legal, regulatory environment. However the voluntary spirit model can still be discerned in the democratic processes, the debate, and the expressed wish of the organisation to “occupy an important place in ...democracy”. The myriad of current issues facing an organisation in transition cloud the close range picture and prevent a clear vision piercing through the haze.

Section 11.8 Gamma

Section 11.8.1 Gamma Evidence

Gamma has a very energetic director and active Board. For example, during a meeting, the Chair asked about the annual general meeting, even though the time for the next annual general meeting was eight months away. The Board was concerned over the date, the day of the week, the location and the calibre of the speaker. Gamma uses the meeting as a forum not only to increase awareness of the organisation and its work, but also to increase awareness of the reason for the organisation.

The observation of the Gamma staff in action showed an attention to detail and an attention to the needs of the members and the staff. For example, during one observation session during 2004,

“The fire unit [next door] was having a training day but there is no toilet. There was no other toilet available. The administrator and the other staff then had to be advised. The director took a call. The telephone rang again.

We discussed what lessons could be learned from other contexts. One was communication.

One of the two bus services they have been using is proving unsatisfactory. The driver is late, racist, and impatient. The director has located a replacement service run by a Buddhist who is more sympathetic to the plight of the members. We

discussed whether any other supply chain problems could arise. The food delivery is arranged so that only any one of three people are to sign for the meals. In addition, the deliveries are to the portakabin so that the members have no contact or interaction with the supplier.

The director was concerned over the attaining of certificates but forgetting to use the skills such as health and hygiene. One instance was a person washing their hands, going in the kitchen and beginning to fix food. Then they lifted the lid to the bin - and were about to again fix food without washing their hands again. In this instance, the director caught the action and corrected the situation, but the subject will be brought up at the staff meeting for review.

The staff were waiting to start the staff meeting and training day.”

This small example of the observations shows the emphasis on communications, continuous training, and attention to detail. Keeping the processes and procedures well in hand as well as staff morale is critical, but the goal of caring for members is never forgotten.

During the interview held in 2004, the director had a question and reply as follows:

“F: Are there any constraints for their [quality frameworks’] use? Such as cost, time, trained personnel, assistance in implementation, any other constraints?

M: Any constraints. Excuse me for smiling. Yes there is always a lack of money. There is always lack of trained personnel. Because of the way we work, we constantly do in service training and therefore you can get someone in who is really new to the field or been in the field in a different way or worked to a different order of care. Or no order of care and

with in service training. and I think role modelling of the work by staff who are senior is just... I would say that our biggest constraint here is the building. The building is too small and that is our biggest constraint. Staff members are quite convinced 20 people walking in off the street, never having been in care, and within four weeks of working here, if they were so wishing, they would grasp the concept of how to [Knock, knock on the door] [Continuing after the interruption:] M: I think really the concept is to have something that is principle centred. So important to have values and principles at the centre of what we do And that means that our members are at the heart and the centre of what we do. They lead us. They guide us. And that is how we work.”

This excerpt, just like the observation, also reflects the emphasis on values, caring for members, training, and service with integrity and ethics. The excerpt also reflects an awareness of other shortcomings needing attention such as the physical space.

It could be argued that changes in the way the staff work might bring about a change in the attitudes to the beneficiaries. By this is meant that the introduction of standards require that certain behaviours of the private or public sector be imitated such as recording attendance or recording the removal or return of keys. The worry of one director was articulated at a Board meeting that the staff should not become so intent on the process that they forget that they are there for the beneficiaries. As shown by the above excerpt as well as foregoing observation, a subtle barrier to adopting standards and frameworks is the perception that such a change may adversely influence the standard of care for the beneficiaries. This subtle resistance identifies that not all changes are improvements.

The responses to the questionnaires confirmed some of the points made in the observation and interview. The most important items to the staff were commitment and user/member focus, closely followed by respect and trust. These four items represented 67% of the responses received. When integrity, values, leadership and communications are added, 91% of all responses are accounted for. There were over 30 items from which to choose, which makes the concentration of responses significant.

When asked about the items most in need of improvement, the responses were concentrated, but in entirely different areas from previously. Lack of money and other resources, plus communications, cooperation, and awareness accounted for 86% of the responses. The other scattered responses included strategic implementation, systems, focus, and capability. The only item appearing in both sets of answers was communications.

In summary, values such as trust, respect, and user/member focus are most important, but the communications, resources, and cooperation need the most improvement. These areas for improvement would represent the barriers to implementation of quality frameworks.

Section 11.8.2 Gamma Analysis

As shown in the above evidence, the level of commitment and focus is very high in this organisation. The level of control of the financial situation and how care is accomplished is also very high. The economic model features in the way the staff of Gamma approach certain aspects of the work, but the voluntary spirit is certainly evident in the focus and the values. From the Institutional Theory point of view, there is an emphasis on meeting the regulatory needs of Companies House, but there is also a tendency to imitate best practice – whatever the source. By this is meant that standards which emerge from the private sector and that are applicable to the voluntary sector will be adopted such as Investors in People.

The need to consult the various stakeholders and to attend many meetings to accomplish goals have become part of the barriers in that the time and other resources expended in such meetings are not available for the main work of Gamma and for planning for the future. The use by Gamma of volunteers not only requires a high level of commitment but also requires that the director's people skills be very high. Changes need to be negotiated and explained so that the "goodwill" and continued volunteering will support the needs of the members and the organisation.

In summary, the management of Gamma is very complex and the barriers to longer term planning are not simple.

Section 11.9 Summary

This chapter has presented the results of an investigation into whether there are extra barriers to planning in the voluntary sector which are not present in the public or private sectors. The evidence and the analysis of the small scale charitable organisations in the voluntary sector which participated in this research can be summarized as follows:

Table 11.9 Summary of Top Barriers to Organisations

<u>Top Barriers</u>	<u>Organisation</u>
Time	All organisations
Need to Manage Change	All organisations
Staff Changes	All organisations
Money and other resources	All organisations
Communications	Cirrus especially, Gamma
Leadership	Delta, Beta, Festal
Strategic planning, thinking	Delta, Beta, Festal
Policies and Procedures	Cirrus
Marketing	Alpha, Cirrus
Awareness	Gamma

The scarcity of money and other resources barrier was referred to in Section 2.2 by Hay et al (2001), and by Clark (2001) and Ash et.al. (2001) in Section 2.4.2. The communications barrier was referred to in Section 2.4.2 by Ash et. al. (2001). The leadership barrier confirms the findings of Mordaunt and Cornforth (2004) and Hayden (1986) noted in Sections 2.4.5 and 2.4.4 respectively. The strategic delinquency noted by Armstrong (1992) and Mulhare (1999) is also confirmed by this research. (See Sections 2.2 and 2.4.4, respectively.) Although the policies and procedures barrier was not directly addressed in the literature, the regulatory environment noted in Section 2.4.5 and in Burt and Taylor's (2004) article impinges on the awareness of the need for and the creation of policies and procedures. Likewise, Hay et al (2001) also noted the lack of marketing mechanism as a difference that is now noted as a barrier to strategic planning.

As shown in Table 11.9, Cirrus especially and Gamma noted the need for greater communication. This awareness of a communications barrier was only evident in the organisations that were advancing toward strategic planning. Also the organisations with the strongest strategic planning were also the organisations with the strongest values of member orientation. That is to say, Gamma, Delta and Cirrus presented the greatest evidence of strong values of member orientation.

Some of the above references to barriers are also the differences, as referenced above, that were noted in the literature between the voluntary sector and the public or private sector. Therefore it is unlikely that the situation will change significantly.

Presuming the foregoing barriers can be overcome, circumvented, or taken into account; the next issue would be the need to adapt quality frameworks. In the next chapter, this issue is discussed from the evidence of this investigation.

Chapter 12 Findings on certain characteristics of small voluntary sector organisations that require an adjustment of available strategic planning models to adapt them for use by small size organisations in the voluntary sector

Section 12.1 Overall View

Questions one and two, as set forth in Section 1.2 and in Chapters 9 and 10, addressed financial areas while question three looked at barriers to planning with results appearing as Chapter 11. In this chapter the evidence of adaptation of the models and why it occurs is investigated. It especially considers the characteristics that lead to the adaptation of the models by the voluntary sector and for the use of the models and the tools in the voluntary sector.

Section 12.2 The Issue

During the interviews, the question of why certain models were used, and others were not, was asked. Most of the interviewees stated that there were few models or frameworks of which they were aware. The responses to questionnaires to the staff, volunteers, participants, etc. bore this out. However only a small percentage of the respondents replied to this particular question (less than 10%). Of those that did reply, few replied as knowing about any other models or frameworks other than the ones used by their own organisation (less than 5% of respondents).

The evidence from this research indicates that an overwhelming majority of the organisations either did not know about any models or tools or did not know about models or tools beyond ones currently in use by that organisation. Thus a question about actual use of models and tools could not be properly addressed. Mulhare (1999) noted that “some nonprofit organisations did benefit from strategic planning”. But Mulhare also stated that advisors should “consider first whether the NPOs [Non Profit Organizations] customary style of decision making ...can be adapted to formulate wiser decisions about the future. If so,

adopting SP [strategic planning] may be unnecessary and even counterproductive.”

Thus variations of strategic planning are still endorsed by Mulhare as best practice but the existence of other ways to reach wise decisions is acknowledged. This situation is confirmed in the current research.

Section 12.3 Experience

Section 12.3.1 Delta

Delta uses a computer-based tool for management. This tool (SQMS) is designed for the area of work in which that organisation is engaged [training]. However the way this flexible tool was implemented reflected the nature of the voluntary sector and of the way the voluntary sector works as reflected in the literature previously cited.

As a computer programme, SQMS cannot be changed by the user. However the information that was input could be presented in such a way as to answer their questions, but reflecting the voluntary sector’s different perspective. The questions about funding could elicit expanded answers. Delta could refer to the various stakeholders and funders as part of the reply. Questions on governance could elicit answers that included the steering groups. Delta could explain the guidance provided by the steering group, as well as the guidance provided by the parent organisation’s executive committee. The SQMS programme also asks about Delta’s audit and monitoring of processes and procedures. The replies reflect the participative style of management used in the voluntary sector.

The external examiner for the SQMS standard suggested in 2004 that Delta use the EFQM Excellence Model ® in the future. Delta was provided with materials on the EFQM Excellence Model ®. Three weeks later the director was asked about the materials. The materials had not been read because the organisation was so busy.

However that is not to say that the director was not engaging in planning. The vision and SWOT days resulted in revised business plans, a marketing plan and a quality assurance manual. The level of decision making was increasing. However the more demanding strategic planning model was not yet being implemented.

Section 12.3.2 Gamma

During the interviews, the clearest reply to the question of adaptation and selection occurred during 2004. The informant was at Gamma. At that time Gamma had not achieved any of the external standards. The informant stated that certain tools are used for strategic planning and that other tools, techniques and frameworks are not used “because this is a charity”. The informant went on to state that “For me it is not a case of either or. It is a case of ones I got to know about.”

This same attitude toward tools and models was repeated at the other organisations. The directors of the organisations intimated that the tools first needed to be introduced. In addition, the tools needed to be reviewed for their application to the complex way in which charities and the whole of the voluntary sector pursue their activities.

In the case of Gamma, some of the members of staff are volunteers. However the training and the standards of care required are the same as expected of paid members of staff. Therefore the volunteers are expected to follow the same route of in service training and courses as everyone else. In addition the volunteers are provided the same level of support and supervision as paid members of staff receive. Although paid members of staff can be required to follow rules and regulations, volunteers can only be cajoled into following the same rules and regulations. Volunteers are also subject to the same disciplinary

and guidance procedures as the paid members of staff. Thus diplomacy rather than rigid rules and regulations are required.

Gamma progressed from having extensive, informal, unstructured training and development to understanding the guidelines, values, and principles and eventually to attaining the Investors in People standard.

The organisation was about 85% toward attaining this standard when their initial way of approaching training and development was assessed. The suggestions from the assessment resulted in change that the director managed. The calendar of staff training and development was posted and developed. The cost was understood and managed. Scepticism concerning use of a 'business' tool was overcome. In late 2004 the organisation did attain the standard. The organisation has increased capacity and now can face strong challenges in the next three years with confidence in the ability of the staff. The method of decision-making increasingly uses staff participation as a team, including vision days. However the Board is a steadying hand of experienced people who, with the director, are providing guidance.

Section 12.3.3 Beta Training

One of the factors observed during the research involving Beta Training was the level of experience of the personnel with tools and models. If a relative, or personal background, caused the person to be involved with such tools in the past, then that person (director) was more likely to implement tools, frameworks and models.

The director of Beta Training had experienced standards at a previous place of employment. On that basis, the director was anxious to implement the same tool. Therefore Beta Training was in the forefront of voluntary sector organisations attaining the Investors in People standard. This award was also retained during the period of research.

In addition, one member of the management board of Beta stated in response to the questionnaire that training in the EFQM Excellence Model was contributing to the way the Board of Directors planned. Separately the director was introduced in broad terms to the EFQM Excellence Model ® by the research. However only the replies to the questionnaires connected these two sets of actions. However, as previously noted, communication was not one of the factors selected by the staff of Beta Training as being one of the five factors most needing improvement. This tension concerning communication was evident in the organisation during the observations.

Section 12.3.4 Cirrus

The various models and frameworks investigated during the research (See Chapter 3) generally have a structured approach. The differences between various models and frameworks appear to be the levels of complexity and formality which is involved in implementing the model or framework. PQASSO and The Big Picture can have just a portion of their framework implemented rather than the whole. However the more formal models expect a commitment to implementing the whole of the framework.

The less structured approaches of the voluntary sector does substantially impinge on the way planning is approached. From very little planning, other than the annual funding proposal, Cirrus has progressed to having meetings to review the vision, mission, aims and objectives. In addition, the values and principles were clarified and the short, medium and longer-term actions required have been elucidated.

When the EFQM Excellence Model ® was introduced, the language it used was unfamiliar. Thus the staff were unable initially to cope with the “business” language. The language used by the EFQM Excellence Model ® needed adaptation to include the many stakeholders. Also the language needed to

compensate for the idea that it is the funders, and not users, who pay for the services. Thus the requirements of the funders must be accommodated by the aims and mission of the organisation. This series of relationships is far more complex than a business – customer relationship.

The holistic overview of the EFQM Excellence Model ® was acceptable. However the larger questions of mission, vision, aims, and objectives need to be given time and attention before the deeper questions included in each area of the EFQM Excellence Model can be attempted.

This requirement of being gradually introduced to the planning and structure in easy steps until the process is nearing completion is consistent with the above cited examples of Gamma attaining the Investors in People standard and of Delta's progress towards adopting the EFQM Excellence Model ® as a strategic planning model. In each case the tools or model was gradually introduced but without a name attached to the process until the organisation was close to attaining the model or standard.

Section 12.3.5 Ephraim, Festal and Alpha

Three of the organisations which participated in the research reflected good practice in their work, but did not change their method or approach to planning during the period of the research. Various barriers, as discussed in Chapter 11, existed for these organisations. These barriers stood in the way of understanding and changing their planning approach, even when new models and tools were made available to the Directors.

Section 12.3.5.1 Ephraim

Ephraim was unable to explain the tools and models to the convenor and the board. Here the language barrier and cultural barriers intervened. In addition, the requirements of the funder for services to be performed by Ephraim precluded spending time on planning models and standards that exceeded the

minimum required for the service level agreement with the funder. The director was therefore unable to encourage progress toward increasing the level of standards in planning and development. Inasmuch as the organisation itself has been unable to closely approach standards, the director cannot stimulate the organisation to make the final steps.

Section 12.3.5.2 Festal

Festal continued with the cooperative structure and the council format of discussions. The requirements of the business for expansion precluded taking time out for the implementation of new tools and models. Moreover the members of Festal were sceptical of models and tools not specifically designed for the cooperative form of social enterprise. Also Festal decided, in council, to pursue marketing needs rather than using more holistic models.

As the research was ending in 2004 the organisation was experiencing a crisis in interrelationships between the members of staff. Part of this conflict originated with the drifting of focus. Planning and vision was undertaken to refocus the organisation. However this effort was in the generic realm and the approach has not been extended to the point where the organisation feels that the standards are close enough to be attainable.

Section 12.3.5.3 Alpha

Alpha's office bearers expressed an intention initially not to be involved in the research and not to be involved in strategic planning. The office bearers of Alpha felt the organisation did not need a long term plan. In addition they did not understand the language used in the models. They felt that the good that they did was sufficient.

Section 12.4 Summary of findings on certain characteristics of small voluntary sector organisations which require the adjustment of the available strategic planning models to adapt them for use by small size organisations in the voluntary sector

The limited tools which the voluntary sector implements reflect the tools that have been introduced to them. It also represents the limited extent to which the voluntary sector has become aware of the full implications and application of the various models and frameworks. In addition, the adoption and implementation of standards, tools, and models need to reflect a close approximation by the organisation to such a standard before the standard itself is attempted. That is to say, if the standard is felt to be attainable, then the time to take the final steps will not be wasted. Finally, the limited usage of tools and models reflects the barriers perceived to impede the application of tools and models that have originated in the public and private sectors.

Chapter 13 Findings on characteristics of small size charitable organisations in the voluntary sector that reflect when an organisation is ready for change

Section 13.1 Overall View

In the previous chapters the research revealed the various trends and indications of the six participating individual organisations in order to provide insight into the first four questions set forth in Section 1.2. In this chapter the six organisations are grouped into a passive group and an active group of three organisations each.

Reflecting on the results of the other four questions the same three organisations had active directors who looked for opportunities to excel. The same three organisations had more highly developed financial systems and financial personnel. The same three organisations had attained an externally assessed standard or progressed significantly toward planning and standards. Those three organisations were Delta, Gamma and Cirrus. They were the active organisations.

As noted in Section 11.9, awareness of a communications barrier was only evident in the organisations that were advancing toward strategic planning. Also the organisations with the strongest strategic planning were also the organisations with the strongest values of member orientation. That is to say, Gamma, Delta and Cirrus presented the greatest evidence of strong values of member orientation.

The three active organisations understood and used the research objective of involvement by the researcher. This involvement included the roles of facilitating an away day, facilitating strategic planning sessions for members and for staff, and assisting the Board through an Advisor position on the Board of Directors. These roles provided opportunities to provide additional input into the

organisations. The directors of these three organisations exhibited a preference for obtaining additional knowledge and a willingness to exert time and energy for the research exercise. One organisation was utilising a framework that is externally assessed every three years and another utilised an externally assessed tool during the research time period.

The other three organisations had less developed financial systems. Although two of these other organisations had met a standard, the directors of these organisations were less energetic and proactive in their approach to planning. These three passive organisations either expressly requested no additional involvement or, because of lack of time and resources, did not pursue receiving additional assistance. These three more passive organisations are Beta Training, Ephraim and Festal.

Overall there were 62 responses. Of these there were 36 respondents from the active organisations and 26 respondents from the passive organisations.

The question posed in the introduction to this research was “Are there any characteristics of small size organisations in the voluntary sector that reflect when an organisation is ready for change?”. This chapter will explore the insights provided by this research into the answer to this question.

Section 13.2 The issue

Crittenden and Crittenden (2000) indicate that traditionally organised groups have a tendency to detailed planning. In addition they claim that the tendency to paid administration seems to be positively related to strategic planning occurring. However membership involvement and administrative style appears to be negatively related to strategic planning. However the Crittenden and Crittenden study was undertaken in the USA and was not focused upon small organisations. Therefore caution needs to be exercised in its application. Also that study was of organisations that had strategic planning in some form and was

not asking about the readiness of organisations to implement the next higher level of planning.

The posed question in the current research would have a null hypothesis: not all organisations are ready for change. It therefore also poses the collateral question which is how to ascertain when an organisation is ready for the next steps in the process of forward planning into the realm of strategic planning type changes. One possible method of ascertaining such readiness would be to determine the characteristics of organisations that seem more prepared. It should be noted that all of the organisations in the current study that participated in the supplemental questionnaire phase of the research have a paid member of staff to handle administration. In addition a large proportion of the members of staff of these organisations are paid.

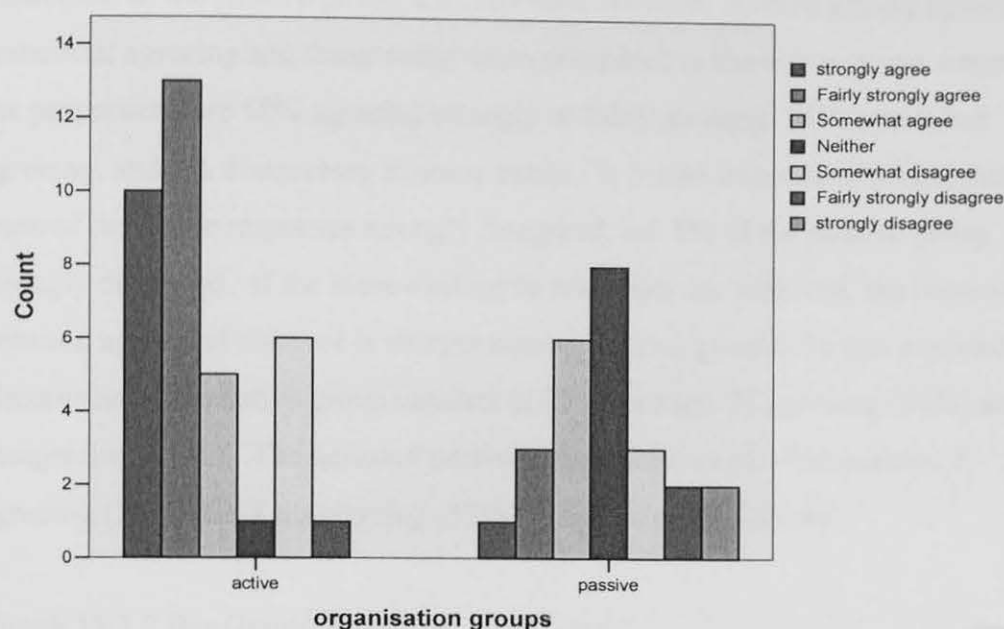
Section 13.3 Staff Experience

The responses to the supplemental questionnaire by staff included insights into their relations with colleagues and supervisors, as well as to the organisation as a whole.

Section 13.3.1 "Knows the Staff"

One of the questions was about whether the organisation knows the staff. As shown on the bar graph below, 78% of the respondents in the active category of organisations believe either strongly, fairly strongly, or somewhat strongly that the organisation knows them. 40% of the respondents in the passive category of organisations believe either strongly, fairly strongly, or somewhat strongly that the organisation knows them. Among the respondents from the active organisations, only one person was neutral in their reply and only 7 persons disagreed to any extent (19%). This contrasts with the 8 persons from the passive organisations who responded "neither" (31%) and 7 persons who disagreed to some extent (27%).

Figure 13.3.1 Bar Graph of “Knows Me”



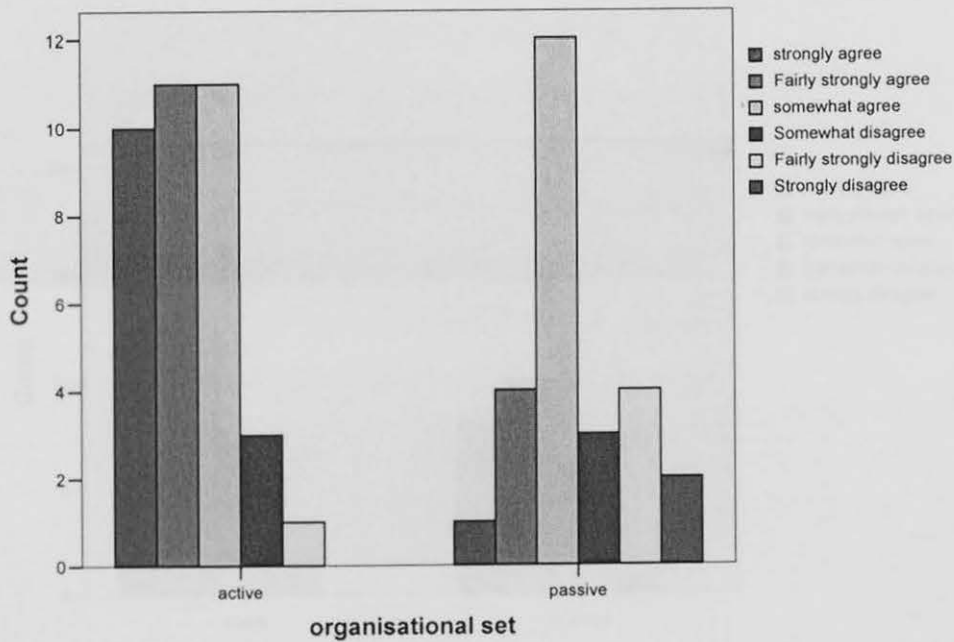
The results indicate that active organizations ready to implement more formal planning “know well” the staff, paid and unpaid. The results seem to reflect a significant difference in the perception of the two groups of staff and management. Overall satisfaction would not seem related to questions about staff experience. However the responses obtained reflect that, in this research, the groups of staff and management that were active had positive responses about both knowing them and overall satisfaction with the organisation. The next subsection presents these results.

Section 13.3.2 Overall satisfaction with the organisation

Using the question in the questionnaire, concerning overall satisfaction with the organisation, the responses show a distinct difference in pattern between the active and passive groups. In the active group, 58% either strongly or fairly strongly agree with the statement about being satisfied overall with the organisation (21 responses). However, only 19% of the respondents in the passive group of organisations either strongly or fairly strongly agreed with the

statement (5 responses). The respondents in the passive group more strongly identified with the somewhat agree stance with 12 responses (46%). The remaining 9 responses (35%) disagreed with the statement to varying extents. Therefore, of the passive group, the responses are more divided among agreeing, somewhat agreeing and disagreeing when compared to the active group where the proportions are 58% agreeing strongly or fairly strongly, 31% somewhat agreeing, and 8% disagreeing to some extent. It is also interesting to note that none of the active responses strongly disagreed, but 8% of the passive group strongly disagreed. If the somewhat agree responses are removed, the contrast between agree and disagree is sharper among the two groups. In this adjusted circumstance, the active group consists of 25 responses, 21 agreeing (84%) and 4 disagreeing (16%). The adjusted passive group consists of 14 responses, 5 agreeing (36%) and 8 disagreeing (57%). The bar graph follows:

Figure 13.3.2 Bar Graph of “Overall satisfaction”

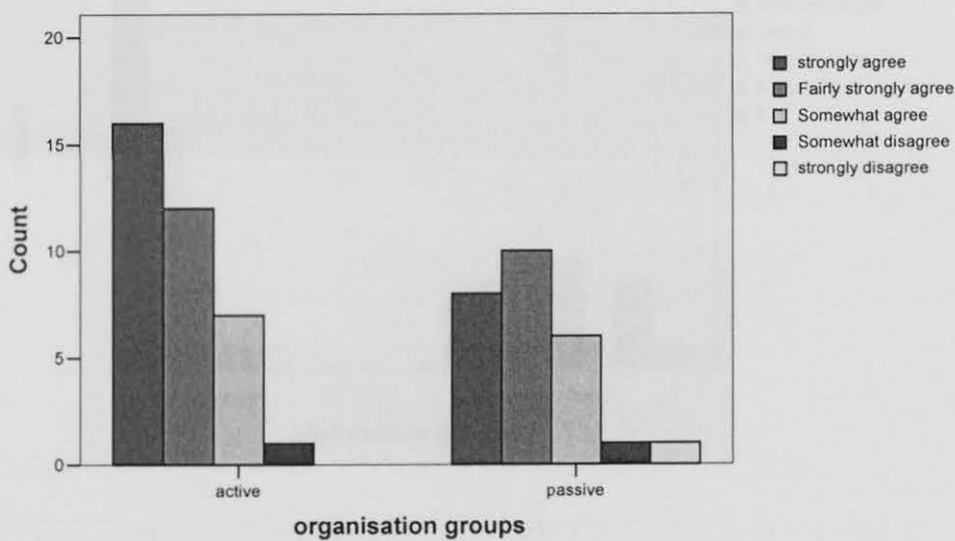


As previously noted, the results are impacted by the extent of the “somewhat agree” category of responses. The implication is that a high proportion of the staff needs to show a relatively strong level of overall satisfaction with the organisation. Otherwise the staff and management are not satisfied enough with the organisation and the way that it is going to take on the major changes that strategic planning might entail.

Section 13.3.3 Knows their role

In contrast to the preceding two sections, and to reflect that organisations can also seem very similar in some ways, the following graph depicts the responses to a question concerning knowing their role. Statistically, the two groups are alike, as expected. The pattern of responses are very similar, but notice that the passive group includes a "strongly disagree" response while the active only has one "somewhat disagree" response and no "strongly disagree" responses. Considering that the passive group includes fewer responses to start with (26 rather than the 36 responses from the active group), the relatively same level of responses as "fairly strongly agree" and "somewhat agree" reflect the proportions of responses in the "strongly agree" category.

Figure 13.3.3 Bar Graph of “Know my role”

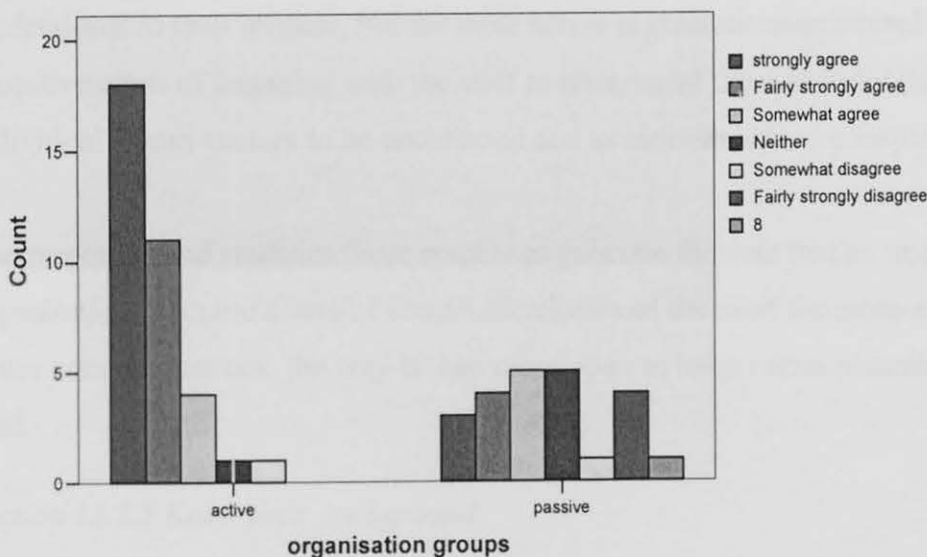


However see Section 13.4.7 concerning the attitudes when roles are translated into jobs.

Section 13.3.4 “Can talk to their supervisor”

Another of the questions in the questionnaire that elicited statistically significant differences in the responses concerned the extent to which staff felt that they could talk to their supervisor. Of the active organisations, 94% of the staff responded that they felt either very strongly, strongly, or somewhat strongly that they could talk to their supervisor. 52% of respondents in the passive organisations responded in one of these same three positive ways. The responses from the passive set of organisations include 5 neutral responses (19%) and 4 fairly strongly disagreeing responses (15%). The graph and chi-square test results follow:

Figure 13.3.4 Bar Graph of “Can talk to supervisor”



The interviews of directors did not elicit evidence from the passive organisations that the staff felt that they could not talk to their supervisor. The interviews indicated a positive response; that is to say that the staff was always able to speak to their supervisor in the opinion of the directors.

One staff member's conversation with the researcher in particular reflects this dichotomy. The earlier director of Cirrus had indicated that the director knew the staff and that they could always talk to the director. Yet the staff person approached the research author and asked for quiet time. During the ensuing conversation various personal aspects were discussed, ending with the staff member stating that the staff person could never talk to the director in this way. The staff person did not feel comfortable (did not trust) the director with personal, background information. Yet the staff person felt comfortable with an observer who was known and trusted. After the change in director, the more open approach was implemented. The staff member felt more able to talk to the director.

The observations reflect a difference in the ethos of the two groups of organisations and the change in ethos at Cirrus. All six organisations were professional in their attitude, but the three active organisations exhibited a proactive ethos of engaging with the staff to understand them as individuals with individual circumstances to be understood and as individuals to be inspired.

The responses and statistics those responses generate indicate that as small size organisations become aware of communications and the need for more and better communications, the way is then more open to longer term planning as well.

Section 13.3.5 Knew their background

When staff were asked about whether the organisation knew about the background of members of the staff, the results indicate that well run organisations know their staff, but also the staff's background. Of the active

group, 75% of staff responded in one of the three positive categories. On the other hand, only 48% of the responses were positive from the passive group of organisations. In addition, 23% of the responses from the passive group of organisations are neutral. In contrast only three responses (8%) from the active group of organisations are neutral.

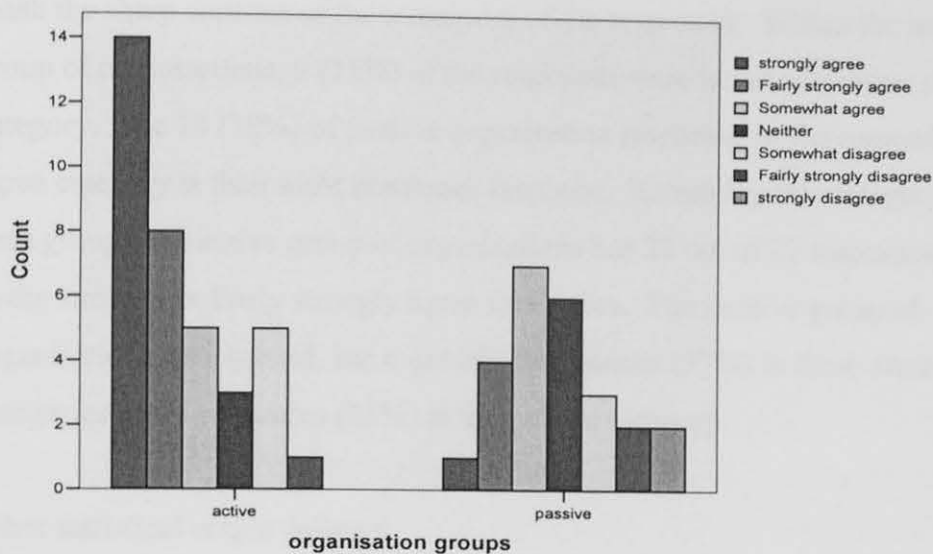
The passive group of organisations includes 2 responses (8%) which strongly disagree that the organisation knows their background, while the active group of organisations have no responses in this category.

Members of the staff may have circumstances that influence their employment. Staff in the voluntary sector may include persons with medical, mental, or family backgrounds which require sensitive handling and understanding. In order to withstand the impact of changes occasioned by the use of strategic planning models, the evidence obtained by the research indicates that a deep degree of understanding and perception is imperative.

During the interviews, the directors reflected upon personnel issues. The replies were generally uniform; however, in the active organisations, the directors readily supplied examples of knowing the staff and their backgrounds from the appraisals and discussions. As noted in Section 13.3.4, one of the members of staff of Cirrus requested a private time with the researcher. During that conversation the member of staff reflected on the degree of disclosure made to the director. The new director, who was more proactive and energetic, had developed a degree of trust with this member of staff that private circumstances could be disclosed. In contrast the member of staff advised that they were never totally comfortable with confiding their background and circumstances to the previous director.

The graph reflects these findings.

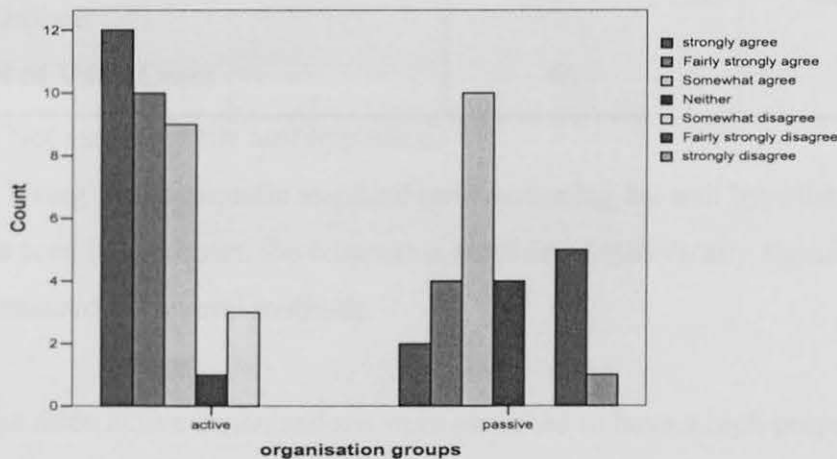
Figure 13.3.5 Bar Graph of “Know my background”



Section 13.3.6 Support and supervision

When members of the staff were asked whether they felt they were being supported, 63% of the active group felt strongly or fairly strongly that they were supported. In contrast 23% of the passive group responded in these same two positive categories.

Figure 13.3.6 Bar Graph of “Supported”



As previously noted under the overall satisfaction subsection (See Section 13.3.2), the large responses on both groups in the somewhat agree category, mask the sharp contrast of the remainder of the responses. Within the active group of organisations, 9 (25%) of the responses were in the somewhat agree category. The 10 (38%) of passive organisation responses in the somewhat agree category is their most numerous response. Removing this category from both groups, the active group of organisations has 22 out of 27 responses (81%) in the strongly or fairly strongly agree categories. The passive group of organisations, as adjusted, has 6 out of 16 responses (37%) in these same two categories and 4 responses (25%) in the neutral category.

Other statistical output follows:

Table 13.3.6 Symmetric Measures of “Supported”

		Value	Asymp. Std. Error(a)	Approx. T(b)	Approx. Sig.
Nominal by	Phi	.568			.003
Nominal	Cramer's V	.568			.003
Ordinal by	Gamma	.601	.133	4.063	.000
Ordinal					
N of Valid Cases		61			

a Not assuming the null hypothesis.

b Using the asymptotic standard error assuming the null hypothesis.

As seen in this chart, the contrast is considered statistically significant when measured by several methods.

The three active organisations were observed to have a high proportion of persons engaged in training, whether on courses or involved in in-service

training. In contrast, one of the more passive organisations, Ephraim, was observed to have one person of a staff of six involved in external courses.

During the interviews, the directors expressed a desire to provide training, but all of the directors noted the problems of time, money and other resources. Nevertheless, the director of one of the active organisations, Gamma, perceived training as an investment in the ability of the organisation to have higher performance in the future. The costs were cut elsewhere both in that year and the two following years to compensate for the high costs of training several (7) people all at one time in one year. The raising of performance is related to efficiency of the organisation in its processes and procedures. In this particular organisation, the additional training provided not just increased capability to various members of the staff, but also a perceived increase in the level of self esteem exhibited. The organisation was capable of providing services to additional beneficiaries without a commensurate increase in staff. The longer term benefits are only now beginning to be seen and appreciated. In the next section, the processes and procedures aspects of the organisation are investigated.

Section 13.4 Processes and Procedures

In this section the results of questions in the questionnaire concerning the perceptions of the members of the staff in regard to particular areas of the organisation are identified and summarised.

Section 13.4.1 "Changes in the Law"

The staff was asked whether the organisation took note of changes in the law.

As shown in the bar graph that follows, 75% of the active organisation responses were either strongly or fairly strongly agree (27 out of 36). The other 25% were either somewhat agreeing or neutral. In contrast, the passive group of organisations, 46% of the responses were either strongly or fairly strongly

agreed and 31% somewhat agreed. The other 24% of responses were somewhat disagree or fairly strongly disagree, with no neutral responses.

The observations reflected these same results. The active organisations reflected on the environment, frequently using SWOT analysis; that is, a Strengths, Weaknesses, Opportunities and Threats matrix to think about change including changes in the law. The follow up by those organisations was to consider the implications and how to handle them. One charity, Cirrus, had actions plans thereafter. A second organisation, Gamma, had action plans drawn up by the Director. Delta had action plans drawn up by the Director and confirmed by the members of staff. Neither the SWOT mechanism, nor a comparable one, was observed at the passive organisations. One of the passive organisations, Ephraim, drew up an action plan as a business plan to fulfil a requirement by a funder for a service level agreement.

Figure 13.4.1 Bar Graph of “Changes in the law”

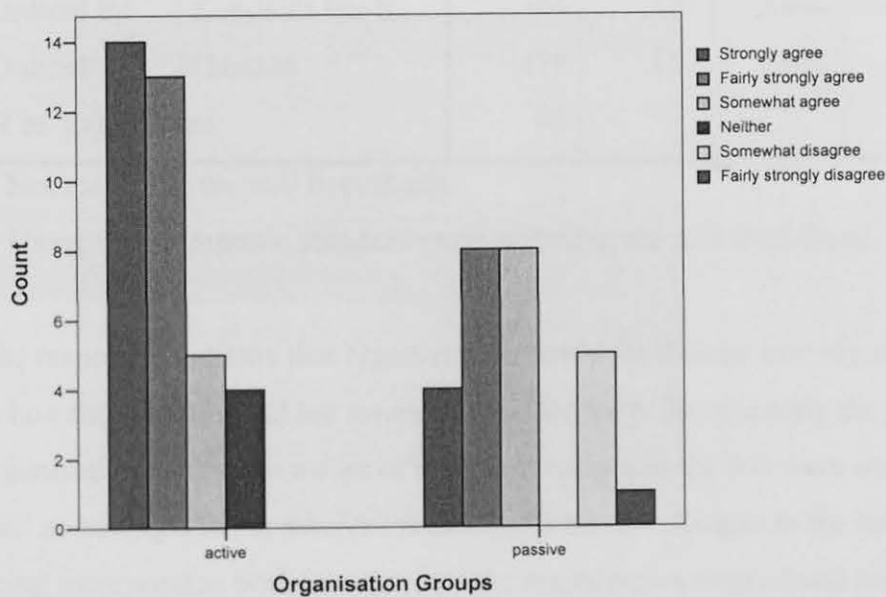


Table 13.4.1 Symmetric Measures of “Changes in law noted”

		Value	Asymp. Std. Error(a)	Approx . T(b)	Approx. Sig.
Nominal by	Phi	.512			.006
Nominal	Cramer's V	.512			.006
	Contingency Coefficient	.456			.006
Ordinal by	Kendall's tau-b	.304	.105	2.856	.004
Ordinal	Gamma	.478	.154	2.856	.004
N of Valid Cases		62			

- a Not assuming the null hypothesis.
- b Using the asymptotic standard error assuming the null hypothesis.

The responses indicate that organisations ready for change actively note changes in law and that the staff are aware of this tendency. Significantly the passive organisations were less aware of whether changes in the law were occurring, as well as having a lower awareness as to whether the changes in the law were being incorporated both into the way the organisation worked and into the way the organisation was documented with processes, policies and procedures as shown in the next subsection.

Section 13.4.2 “Completeness of procedures”

Of the responses from passive organisations, 38% either strongly or fairly strongly agreed that the procedures were incomplete. In contrast 8% of the active group respondents selected an answer of either strongly agree or fairly strongly agree. The statistical evidence is modified by responses in the somewhat strongly agree category. This appears to lead to a subtle difference in the opinions of the two groups of staff. The more ready groups show a tendency toward knowing about changes in the law and having relatively complete procedures. Yet a large portion of the responses in the somewhat agree category reflect a perception that the knowledge of changes in the law is not necessarily translated into complete processes and procedures. The policies follow the changes in law. The more passive group of organisations tend to reflect some level of awareness of incompleteness in the procedures and also a level of awareness that changes in law are not necessarily noted. This tendency is reflected in the graph where, of the passive organisations, 19 out of 26 of the responses (73%) fairly strongly or somewhat strongly agree that the procedures are incomplete. This perception is difficult to observe in the organisations. The policies and procedures are there and can be counted, but the completeness is more difficult to judge as an observer. The application or imposition of policies or procedures depends on the area of work and the degree of perceived need for more formal ways of working. During the interviews the directors did not express explicitly any omissions in the policies and procedures. All of the directors invited the researcher to look at the manual of policies and procedures which were available in the office.

Figure 13.4.2 Bar Graph of “Incompleteness of procedures”

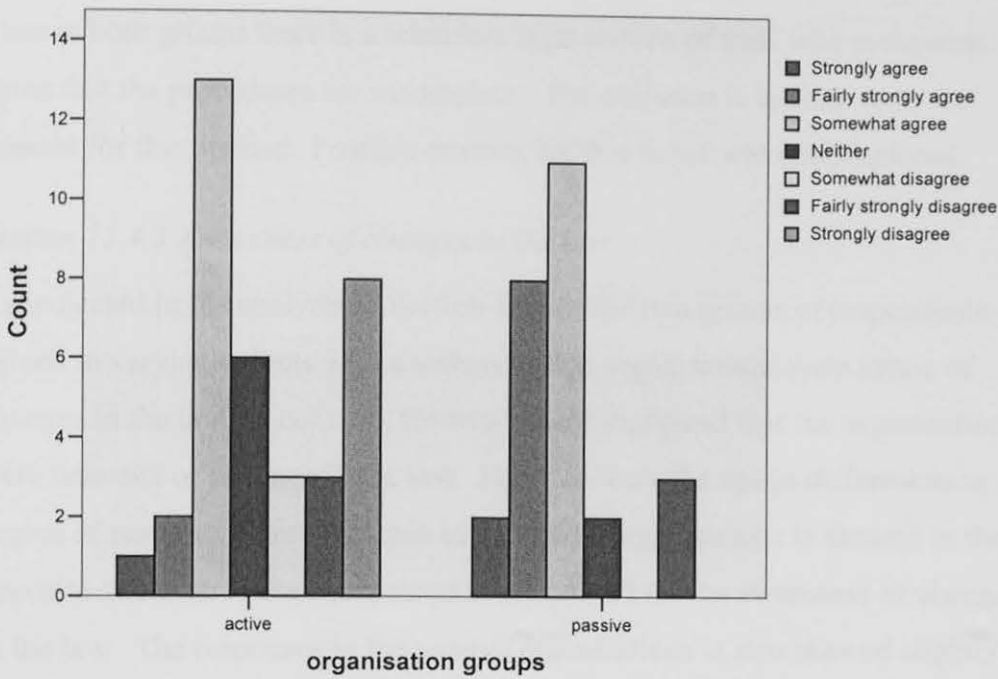


Table 13.4.2 Symmetric Measures of Incompleteness of procedures

		Value	Asymp. Std. Error(a)	Approx. T(b)	Approx. Sig.
Nominal by	Phi	.506			.014
Nominal	Cramer's V	.506			.014
	Contingency Coefficient	.452			.014
Ordinal by	Kendall's tau-b	-.387	.093	-4.081	.000
Ordinal	Gamma	-.607	.137	-4.081	.000
N of Valid Cases		62			

- a Not assuming the null hypothesis.
- b Using the asymptotic standard error assuming the null hypothesis.

Thus in both groups there is a relatively high portion of staff who somewhat agree that the procedures are incomplete. The evidence is unclear as to the reasons for this opinion. Possible reasons for this belief were not explored.

Section 13.4.3 Awareness of changes in the law

As indicated in the analysis in Section 13.4.1, the two groups of respondents agreed to varying extents with a statement that organisations were aware of changes in the law. In contrast, the two groups disagreed that the organisations were unaware of changes in the law. However note the subtle differences in degree of response. The responses in the active organisations is skewed in the opposite direction to their responses in Section 13.4.1 on awareness of changes in the law. The responses in the passive organisations is also skewed slightly differently from the responses in Section 13.4.1 but the contrast is not as clear or concise. Both graphs are generally bell shaped curves, but the graph in section 13.4.3 (unaware of changes in the law in passive organisations) more closely resembles a rounded curve with two tails. The implication is that within the passive organisations a clear perception of the degree of awareness (or not) of changes in the law is not evident.

The observations were also not clear on this aspect. The interviews did not directly address this question; however the overall impression obtained was that the directors were not cognisant of any gaps in their knowledge or awareness of the law and changes in it.

Figure 13.4.3 Bar Graph of “Unaware of changes in the law”

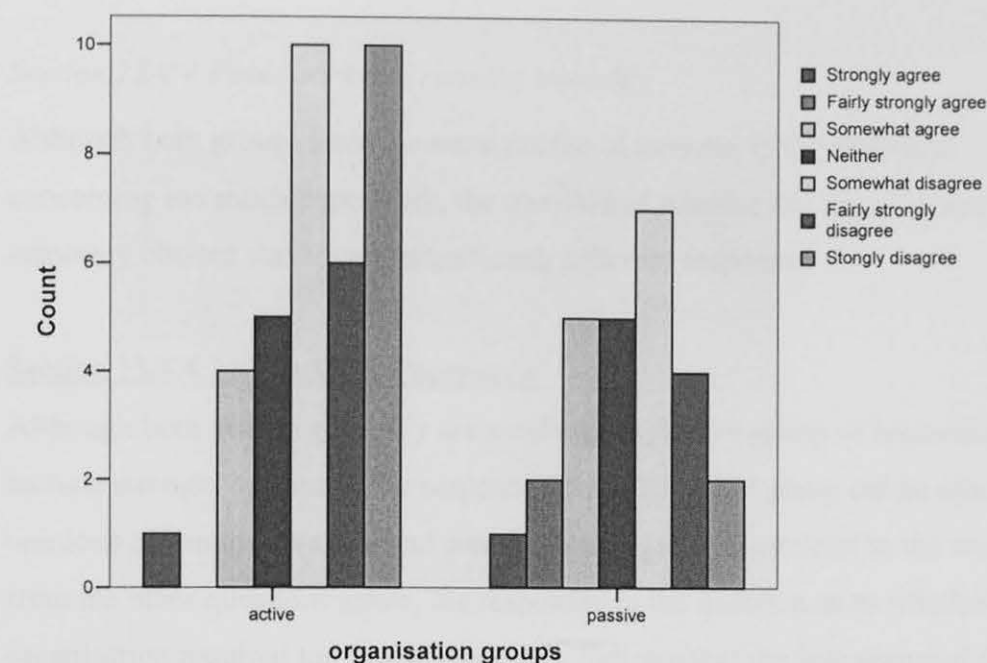


Table 13.4.3 Symmetric Measures of “Unaware of changes in the law”

		Value	Asymp. Std. Error(a)	Approx. T(b)	Approx. Sig.
Nominal by	Phi	.335			.326
Nominal	Cramer's V	.335			.326
	Contingency Coefficient	.317			.326
Ordinal by	Kendall's tau-b	-.255	.104	-2.437	.015
Ordinal	Gamma	-.397	.156	-2.437	.015
N of Valid Cases		62			

a Not assuming the null hypothesis.

b Using the asymptotic standard error assuming the null hypothesis.

The responses from the staff of the active organisations show a stronger attitude indicating a clear perception and understanding. The open ethos of the active organisations is reflected in the clearer perceptions of the whole groups.

Section 13.4.4 Paperwork and running smoothly

Although both groups have the same profile of answers to the statement concerning too much paperwork, the question of whether the organisation runs smoothly elicited statistically significant, different responses.

Section 13.4.4.1 “Too Much Paperwork”

Although both groups generally are a curve, the passive group of organisations include stronger opinions. The responses from the active group centre around opinions of somewhat agree and somewhat disagree. In contrast to the results from the other questions asked, the responses to the question as to whether an organisation required too much paperwork indicate that the less prepared a group, the stronger the opinions held.

The observations would indicate that organisations in both groups require a significant amount of recording and paperwork. However the difference in response is indicative of a difference in the perception of the staff. In the active group of organisations, the staff knew why the recording was necessary and the open discussion covered what to do and why it was required. The perception of staff in the passive group of organisations was generally more mixed and less focused.

Figure 13.4.4.1 Bar Graph of “Too much Paperwork”

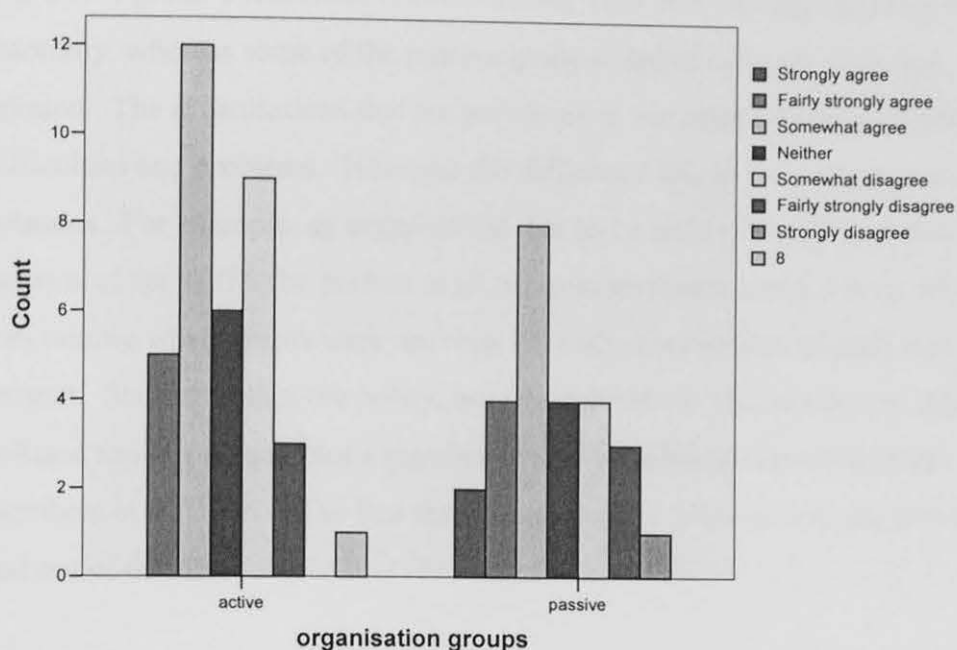


Table 13.4.4.1 Symmetric Measures of "Too much Paperwork"

		Value	Asymp. Std. Error(a)	Approx. T(b)	Approx. Sig.
Nominal by	Phi	.305			.567
Nominal	Cramer's V	.305			.567
	Contingency Coefficient	.292			.567
Ordinal by	Kendall's tau-b	-.074	.115	-.644	.519
Ordinal	Gamma	-.119	.184	-.644	.519
N of Valid Cases		62			

a Not assuming the null hypothesis.

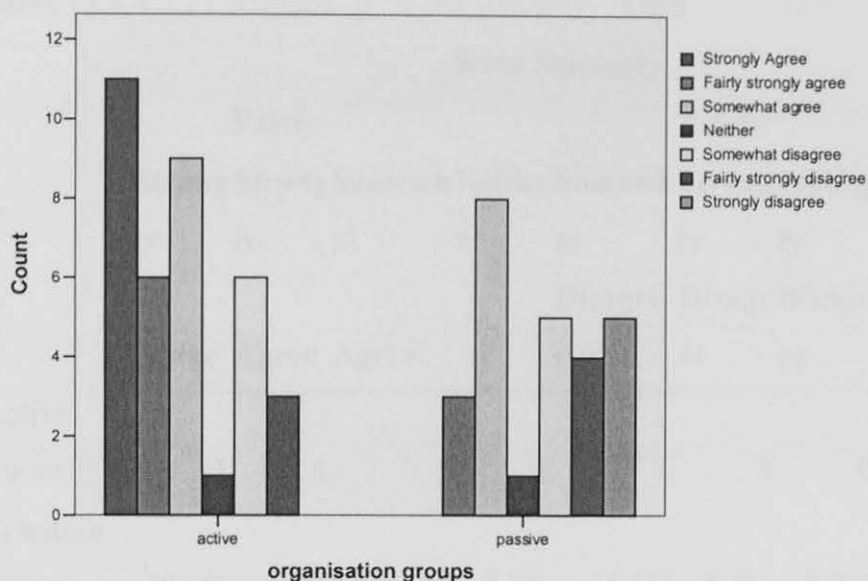
b Using the asymptotic standard error assuming the null hypothesis.

Section 13.4.4.2 “Runs Smoothly”

The active group’s responses reflect a strong view that the organisations run smoothly, whereas some of the passive group disagree strongly with that opinion. The organisations that are perceived to run smoothly also experience difficulties and problems. However the difference lies in the management of the episodes. For example, an organisation that has a policy of requiring two persons of the staff to be present at all times experienced a day during which it was raining when clients were arriving, but only one member of staff was present. Staying within the policy, but using initiative, the member of staff enlisted another person (not a member of staff) as able to stay until other members of staff arrived so that the clients could be allowed into the premises and out of the rain.

One of the passive organisations has a policy of allowing staff to take leave, especially around holidays, as long as the office is manned. On several occasions an informant advised the research author of incidences where the office was manned by only one person and the telephones caused constant interruption. Also the person manning the office was not briefed about certain difficulties that other staff knew about. Thus chaos reigned for the several hours until other staff returned. The management of the episodes was the difference.

Figure 13.4.4.2 “Runs Smoothly” Bar Chart



The interviews provided no indication of these results. Because of the sharp contrast between the interview results and the staff questionnaire results on this question, the additional table is included below after the analysis.

Table 13.4.4.2.1 Symmetric Measures of “Runs Smoothly”

		Value	Asymp. Std. Error(a)	Approx. T(b)	Approx. Sig.
Nominal by Nominal	Phi	.510			.013
	Cramer's V	.510			.013
	Contingency Coefficient	.454			.013
Ordinal by Ordinal	Kendall's tau- b	.396	.088	4.379	.000
	Gamma	.599	.124	4.379	.000
N of Valid Cases		62			

a Not assuming the null hypothesis.

b Using the asymptotic standard error assuming the null hypothesis.

Table 13.4.4.2.2 Crosstabs of “Runs Smoothly” Data

	Runs Smoothly							Total
	Fairly			Fairly				
	Strong	Strong	Somewh	Neithe	Somewh	Strong	Strong	
	ly	ly	at	r	at	ly	ly	
	Disagre			Disagr				
	Agree	Agree	Agree		ee	Disagr	Disagr	
<hr/>								
Active								
Count	11	6	9	1	6	3	0	36
% within								
Group	30.6%	16.7%	25.0%	2.8%	16.7%	8.3%	0.0%	100.0%
Passive								
Count	0	3	8	1	5	4	5	26
% within								
Group	0.0%	11.5%	30.8%	3.8%	19.2%	15.4%	19.2%	100.0%
Total								
Count	11	9	17	2	11	7	5	62
% within								
Groups	17.7%	14.5%	27.4%	3.2%	17.7%	11.3%	8.1%	100.0%

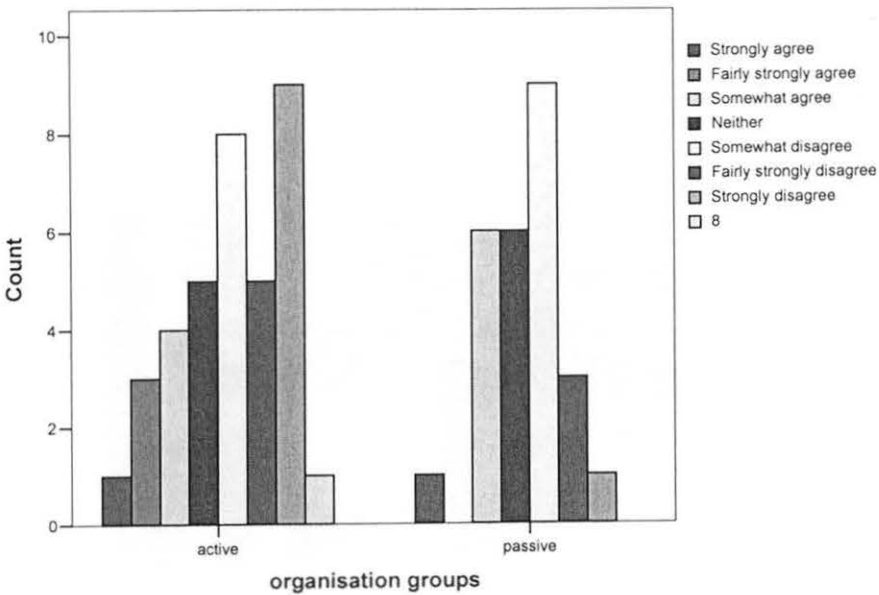
In the active organisations, 47% of staff strongly agree or fairly strongly agree that the organisation runs smoothly, and none of the staff strongly disagreed with the statement. In contrast, 11.5% of the responses from the passive organisations fairly strongly agreed that their organisations run smoothly, none of the staff strongly agreed, and 19% strongly disagreed that the organisation

runs smoothly. The more active the organisation is, the stronger the perception of the staff that the organisation runs smoothly.

Section 13.4.5 Formality

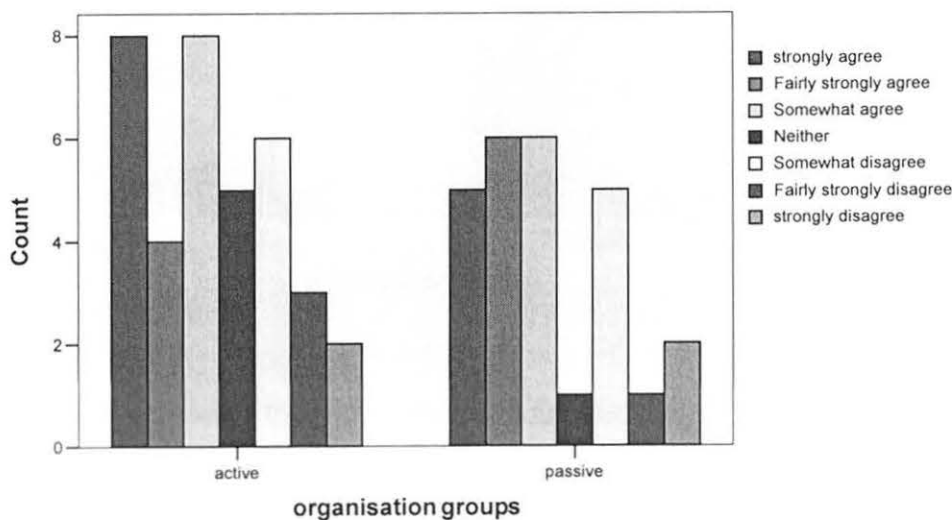
Although the active group of organisations, by observation during the research, work within formal guidelines and procedures, many members of staff do not seem to perceive the organisation as being too formal. On the other hand, the responses from the passive group seem to cluster around the middle. The passive group responses are not revealing the same type of clear consensus. The chi-square tests confirm this impression and shows that there is a disparity, but not as statistically significant a difference as in the previous responses.

Figure 13.4.5 Bar Graph of “Procedures too formal”



Both conversations with staff, and the responses to the questionnaire, provide a consistent profile of some respondents not understanding the financial side of the organisations. This difficulty was present in all of the organisations to some extent. As shown in the bar chart below, the curves are similar. This seems to indicate a relationship exists, but more a reflection of similarity of perception. Even in the active groups where the staff are clear about their jobs and feel understood and supported, some staff are not particularly clear on the financial side of the organisations. In the same way, some staff in the passive organisations have indicated a clear understanding of the financial aspects of the organisation. This aspect of the staff's perceptions does not provide an indicator of readiness for strategic planning from this evidence.

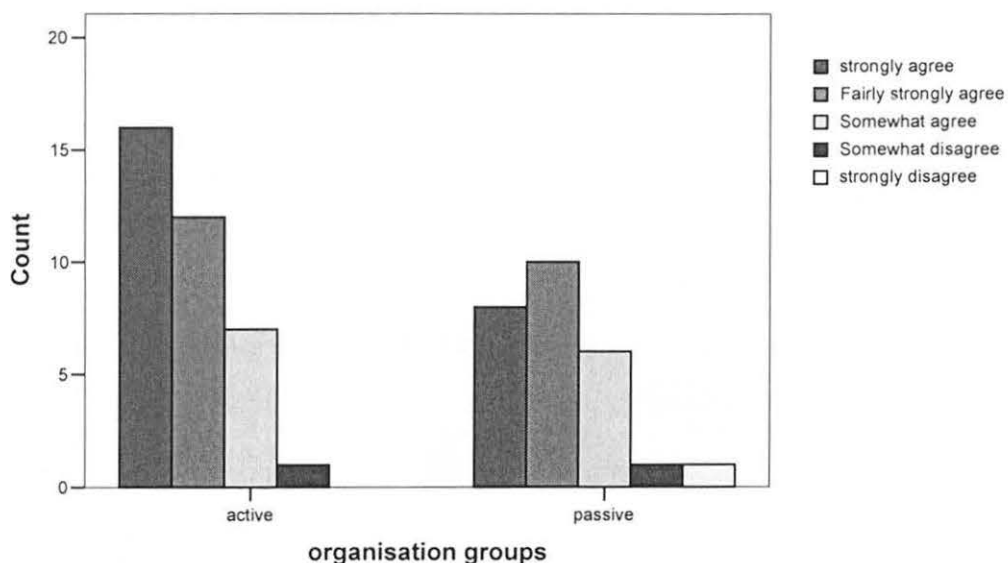
Figure 13.4.6 Bar Graph of “Clear on spending”



Section 13.4.7 "Knows role" and "knows job"

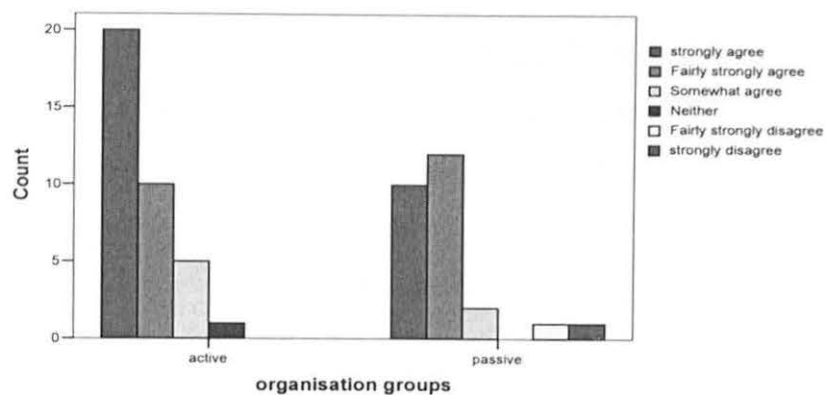
Both groups of organisations were clear that the staff know their roles. The profiles are alike in many respects. The bar graph below graphically displays that. Conversations with staff showed their knowledge of their roles and how they were integrated in the organisation. For the most part, the observations confirmed this profile. The interviews consistently revealed a general attitude of belief that the staff was professional in their attitude and knew their role. (See also Section 13.3.3.)

Figure 13.4.7.1 Bar Graph of "Know my role"



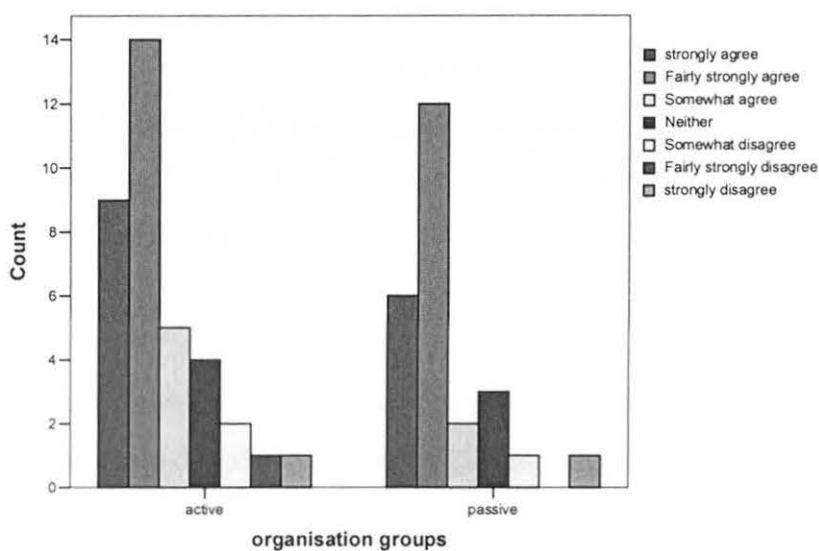
However at a specific individual level of knowing the job and its duties, the picture changes somewhat. Based on the responses obtained, assistance provided by management in translating the role into duties is reduced in the passive group of organisations. This would reflect a reduced level of "hands on experience" between supervisor and staff personnel at an individual level.

Figure 13.4.7.2 Bar Graph of “Know my job and duties”



On this deeper level, the member of staff would expect supervision and assistance in the performance of a job and its duties. In contrast, the consistent picture is one of being left to do the job.

Figure 13.4.7.3 Bar Graph of “Left alone to do job”



In summary, the staff and management perceive that roles are understood and therefore the staff are left to perform the job. However, in the area of “knowing

the job and its duties”, the active organisations have a perceptively different approach. The active group of organisation have pursued staff support and supervision and/or appraisal systems. The use of these tools has been more limited in the passive organisations. Arguably, this difference in approach is reflected in the responses recorded. It is also reflected in the Pearson Chi-Square value of .433 recorded to the statement concerning “clear expectations”.

Table 13.4.7 Summary Table for active and passive organisation groups

<u>Statement</u>	<u>Pearson Chi-Square Value</u>
Know their roles	strongly related
Know the job and its duties	lightly related
Left alone to do the job	strongest alike
Clear expectations	.some relationship

None of these relationships seem significant; however, taken as a group they reflect the subtle difference in approach in clarifying expectations, duties and actual jobs to be performed. This limited area should receive more in depth study to ascertain the exact relationships involved. (See Section 16.7 Areas for additional research.)

Section 13.5 Correlation

The next question to address is whether there is any relationship among the questions asked in the supplemental questionnaire. Correlation is "a measure of association that tells us whether two variables vary together." (Fielding and Gilbert, 2002). In Appendix E the correlation charts appear to show that various questions asked do have a strong correlation with each other. Taken together,

with the results in the above sections, these strong correlations will be further examined in Chapter 15 (Discussion) and Chapter 16 (Conclusions).

Section 13.6 Conclusion

In the previous chapters, and this chapter, the results of the research have been presented using qualitative narrative and quantitative presentations of individual organisations, or groups of organisations, as the basis of presentation. The results presented in Chapter 13 indicate that organisations that are ready to more actively embark on strategic planning using more structured models and tools can be identified by the perceptions of the staff to questions concerning the levels of support, understanding, and overall satisfaction with the organisation. Some secondary indicators such as knowing the job and duties coupled with clear perceptions, knowing their role, and levels of formality and paperwork also provide insight.

In the next chapter the organisations will be presented as a single collective group with results measured over time. That is, as a longitudinal presentation.

Chapter 14 Longitudinal Results

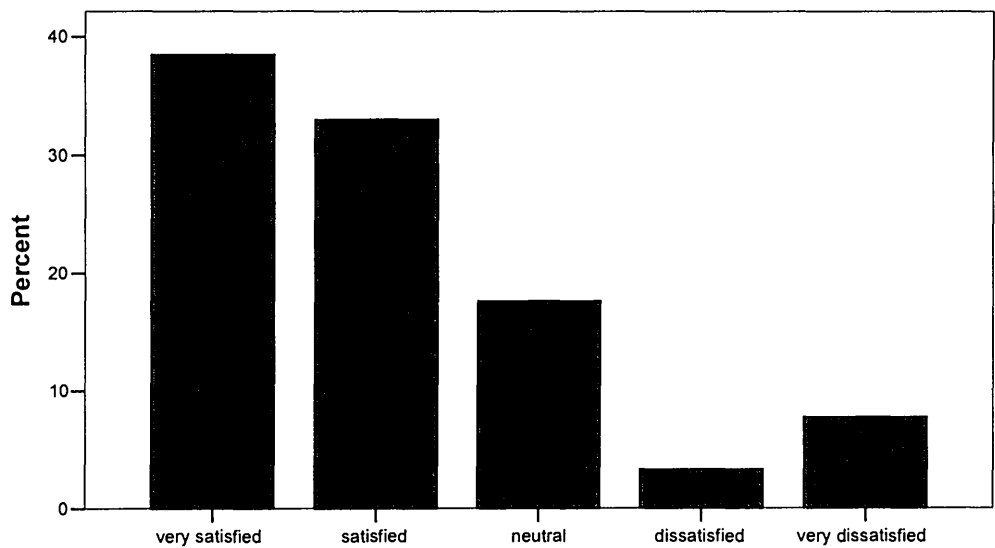
Section 14.1 Introduction

In the previous chapters, the overall position of the organisations were investigated by using the observations, the interviews and questionnaires producing the findings based on the five individual questions posed in chapter 1. In this chapter the answers to the questionnaires are used to provide the empirical data for the longitudinal aspect of the research.

Section 14.2 Overall satisfaction comparing years

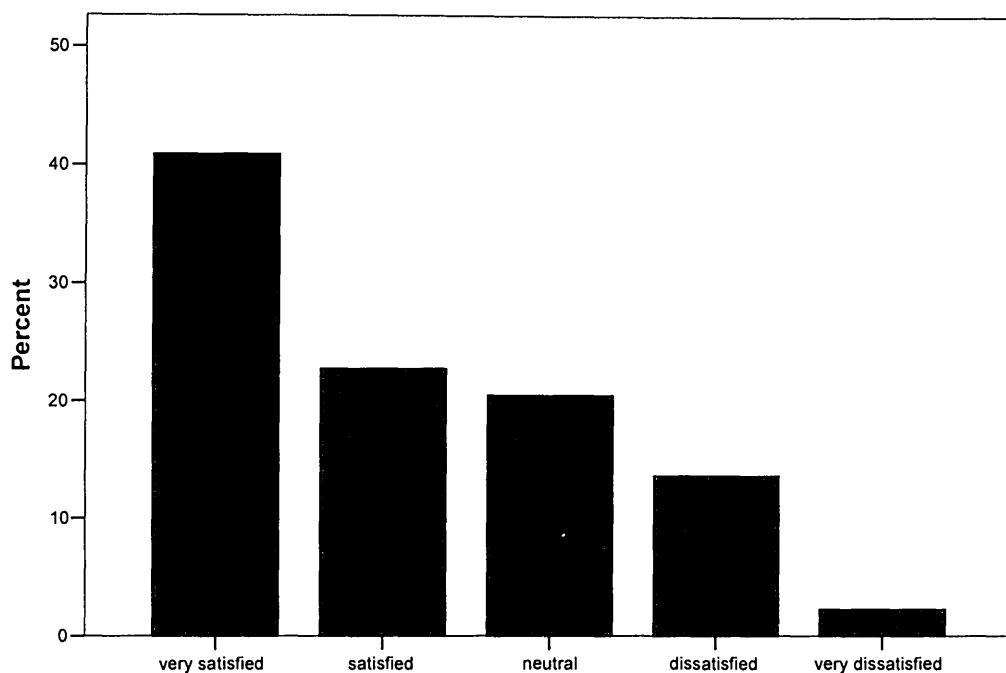
Figure 14.2.1 Bar Graph of Year 1 of the questionnaire:

“Overall satisfaction”



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This bar chart of overall level of satisfaction was extracted from the questionnaires distributed in the Spring of 2003. This was the first set of responses. It reveals a certain level of discontent with the organisations.

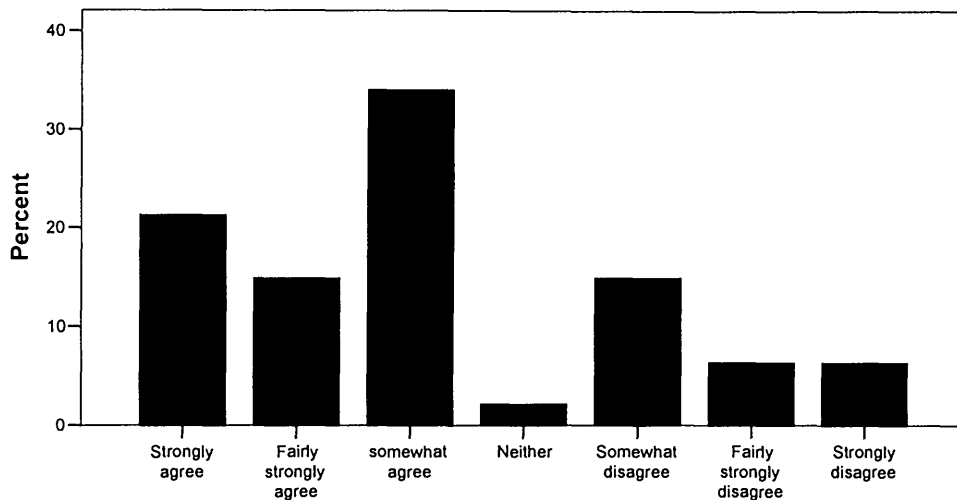
Figure 14.2.2 Bar Graph of Year 2 of the questionnaire:
“Overall satisfaction”



Although the number of responses is less overall, the trend of greater discontent is beginning to be apparent. There are fewer members of staff and more staff have responded as dissatisfied.

The bar chart below is the results from the Year 2 supplemental questionnaires in the Spring of 2004. Year 2 was the first time that this supplemental questionnaire was utilised.

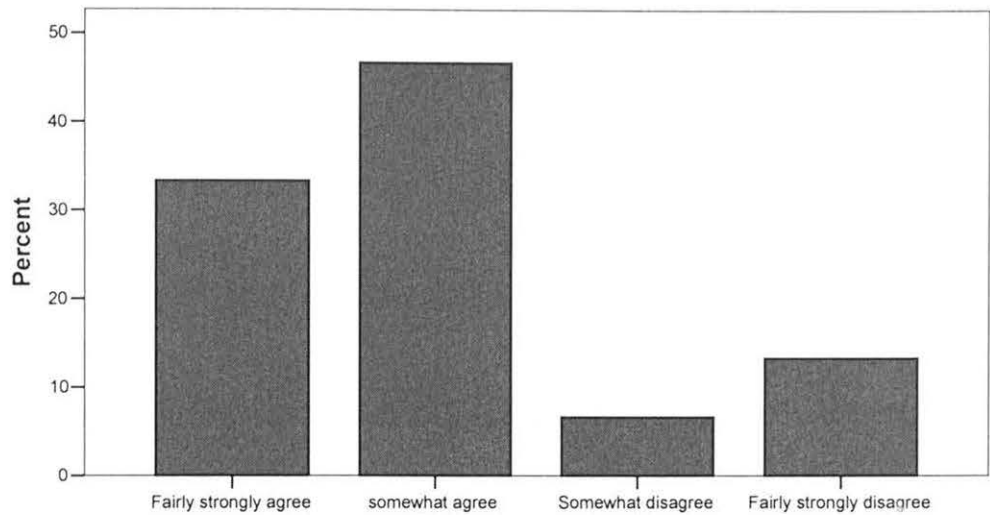
Figure 14.2.3 Bar Graph of Year 2 of the Supplemental questionnaire:
“Overall satisfaction”



When the two foregoing bar graphs are viewed together, the two questionnaires (both asked at the same time) are not providing identical answers. The results from the supplemental questionnaires would appear to be influenced by the completion of the first questionnaire. In answering the array of questions, the respondents have become more aware of certain aspects of their organisations and therefore more critical. This greater awareness then leads to more reflective answers. This in turn may lead to the disparity in the answers received.

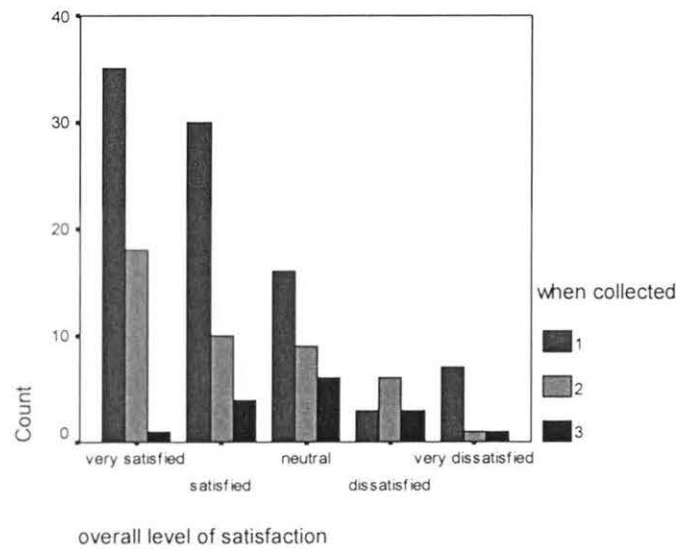
In contrast, the bar graph below is of the results of the Third year supplemental questionnaires in Autumn of 2004. The category of Strongly agree is not present in this group of responses. The majority agree to some extent, as previously, but the level of dissatisfaction is proportionately more numerous. Actually, there were more responses in each of the earlier groups.

Figure 14.2.4 Bar Graph of Year 3 of the Supplemental questionnaire:
 “Overall satisfaction”



Below is the bar graph of all three years including the third year questionnaires.
 It reflects the most distributed set of responses.

Figure 14.2.5 Bar Graph of Years 1, 2, & 3 of questionnaire:



The curve of this bar graph confirms the above discussion that the level of discontent among respondents is proportionately increasing. There could be many reasons for this. One obvious reason would be that, due to turnover of personnel, the sets of respondents differ from each other and have different opinions. Another possibility is changing of attitudes over time. A third possibility would be that the number of persons electing to respond has dwindled so that the number of discontented respondents appear more significant than in reality.

The groups of respondents to whom the questionnaires was submitted in the three years were not identical. The second and third year only included staff and management. The first year included a distribution to members, staff, management, trainees, and other stakeholders. However for various reasons the submission of the questionnaire to this large a group was not practical. (See also Section 7.3)

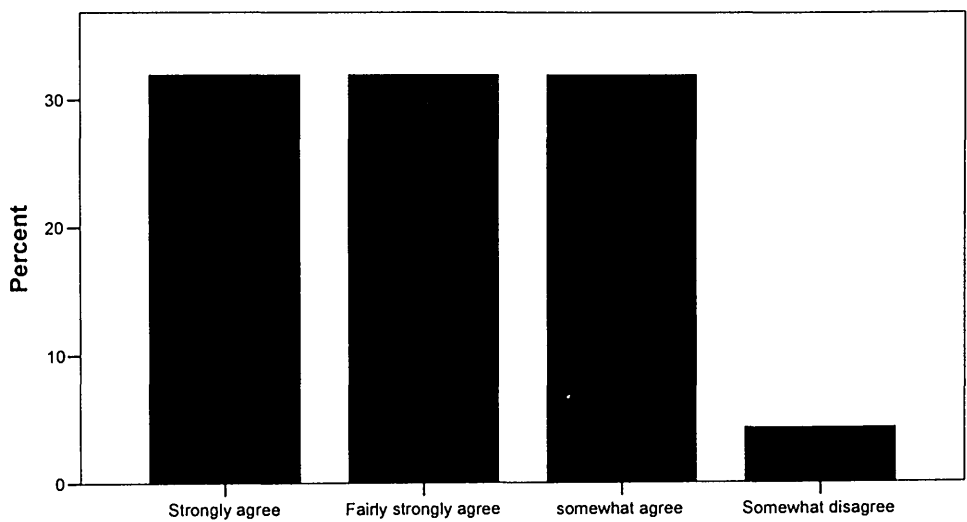
In addition the groups of respondents from one organisation provided replies in year two and no replies in year three. Another organisation apologised for the poor response rate in year two and provided replies in year three. One respondent remarked in passing on one occasion that “the trouble with theories is that they are just that – theories.” By that cynical comment he conveyed a sceptical viewpoint toward research in general and management research in particular. Therefore a reluctance to reply repeatedly to the same set of questions therefore can also cause the reduction in the number of replies.

However interviewing of staff did provide insight into the possibility that the discontent was actually increasing. At Festal the level of discontent was increasing because one person was in conflict with a second member of staff and the first person had announced a desire to locate another job. In a second organisation the comfort level was decreasing and comments made in passing reflected a growing discontent. On the other hand, an organisation that did have an increasing level of overall satisfaction did not submit replies in the third year.

Therefore, although there was an increase in the level of discontent, the results are also skewed by a lack of replies from organisations with an observed higher level of satisfaction.

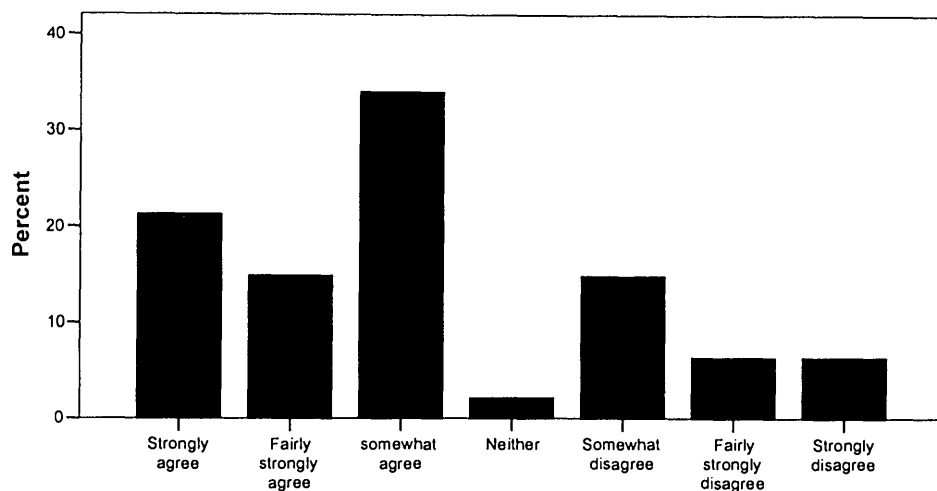
Section 14.3 Policy fairness and completeness compared over years

Figure 14.3.1 Bar Graph of Year 2 of “Policies are Fair”



While in Year 2, most everyone agrees that the policies in position are fair, the completeness of the policies question tells a different story – as shown below.

Figure 14.3.2 Bar Graph of Year 2 of “Policies Complete”



Here there is a more varied response reflecting the tendency of the respondents to be uncertain as to the completeness of the policies – even though the policies that are in place are generally considered to be fair.

Below is a Graph of the responses in Year 3 to the question of the fairness and completeness of the policies that exist. By this time, the respondents are more critical and the responses more varied as to whether the policies in place are fair and complete.

Figure 14.3.3 Bar Graph of Year 3 of “Policies are Fair”

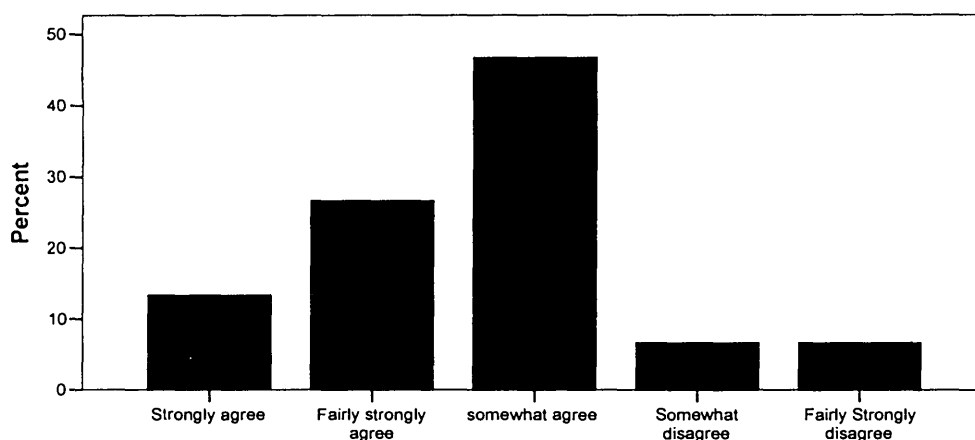
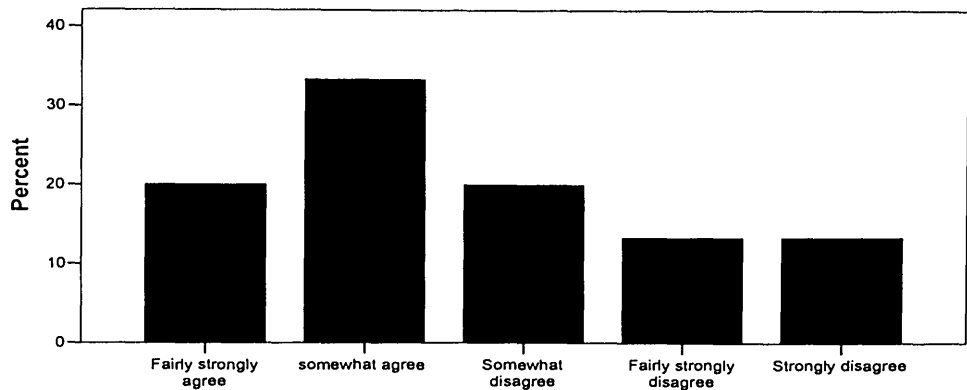


Figure 14.3.4 Bar Graph of Year 3 of “Policies complete”



The tendency of the respondents to view the policies as incomplete appears stronger. The respondents appear to be reflecting a more insightful, discerning viewpoint as reflected in the above graph. This interpretation of the results of the questionnaire is subject to the same caveat discussed in Section 14.2 concerning overall satisfaction. That is, the number of responses and who is responding are changing and that a shift in respondents could be affecting the results.

Section 14.4 Other evidence

As reflected in the limited amount of evidence presented, the longitudinal aspect could not adequately be addressed through the questionnaires for a quantitative approach to be used. The responses are too few to divide by year and the responses were not from the same organisations. One organisation replied in years one and two, but not in year three. Another organisation replied in year three and a few in year two.

The observations provide anecdotal evidence of development of planning and strengthening of systems over the research time period but measurement is a relative, subjective approximation.

The interviews were conducted in a uniform manner. The interview that took the longest time to record was with Cirrus during the first year, when the Director was beginning to resist efforts to implement participative planning. During the second year, the longest interview was by the Director of Ephraim, who was unable to actively implement the strategic planning. This imprecise data provides some evidence that when the Director has vision and understanding, the Director can articulate clearly and concisely the structure, processes, and resources (human, financial, relational) of the organisation.

Section 14.5 Chi Square testing of Year two versus Year three of the Supplemental Questionnaires

In an attempt to understand the results obtained in Years two and three in a longitudinal sense, the responses were subjected to a Chi Square test. The Year two responses that were useable ranged from 45 to 47. In year three, there were 13 to 15 useable responses. Generally, the assumption of the Chi Square test of having at least 5 responses in each category of responses was violated and the expected minimum results in some tests was less than one. The results obtained follow.

Table 14.5 Chi Square testing of Supplemental Questionnaire for Years two and three

(The Chi Square value is followed by the Asymp. Sig. value.)

<u>Question</u>	<u>Pearson Chi Square</u>	<u>Asymp. Sig.</u>
Teamwork Approach	15.661	.016
Know Me	7.374	.288
Know my background	7.576	.271
Supported	12.256	.056
Can talk to supervisor	4.370	.627
Good quality services provided	6.643	.249
Continuous Improvement occurs	7.620	.267
Clear Values	6.595	.253

Values Same as Mine	12.610	.027
Know why we exist	11.402	.077
Know my job and duties	7728	.172
Training needs unknown	10.273	.114
Don't ask about training	7.843	.250
Overall Satisfaction	6.187	.288

Pallant (2001; reprinted 2003,p. 259) states that "to be significant the Sig. value needs to be .05 or smaller." Pallant goes on to state that when the value is greater than .05, the result is not significant, meaning that the results in year two are not significantly different to the results in year three. As shown in bold in Table 14.5, the results of the Pearson Chi Square show significant difference in the results obtained concerning “teamwork approach” and “values same as mine”.

As explained in Section 14.2 and 14.3, the responses were not uniform and these measurements cannot be relied upon. As enumerated in Section 16.6 continuing and additional research may provide the reliable empirical evidence for the longitudinal aspect of this research.

Section 14.5 Preview of Chapter 15

Chapters eight through fourteen have provided evidence of findings concerning the organisations and the questions posed leading to some insight into the information available.

In Chapter fifteen, the findings and evidence are discussed with a view to discerning implications and insights. As a way of presenting the discussion, chapter 15 is organised around the common issues of compliance, governance, finance, and operations. In addition, where paid staff is involved, compliance with the requirements of employment law is also addressed.

Chapter 15 Discussion

Section 15.1 Introduction

In the previous chapters the background of the voluntary sector in regard to bookkeeping and accounting; models and frameworks available as guidelines for planning, change, management of change, and quality; as well as theories; methodologies; and findings were recited. In this chapter, following an overview, there is reflection on the implications of the findings leading to conclusions. Then several of the tools and models are discussed in relation to their applicability and utility. Finally, additional issues of correlation, limitation, and relationship to models are then considered leading to conclusions and areas for further research as presented in Chapter 16.

The evidence which was presented in the previous chapters was obtained over a two year time frame using a case study approach of action research. As exploratory in nature, the results should not be immediately generalised to the entire population of small scale charitable organisations in Edinburgh. However the results provide insight into the changes currently taking place in some smaller organisations in the voluntary sector and the process utilised for institutionalising these changes. Caution should be exercised in relying on literature however since, as was stated by Middleton (1987:141), "Only a meagre amount of literature is available to help...." with small organisations in this sector as an emphasised or exclusive category.

Cairns, Harris, et. al. (2005) undertook an "online postal survey" among voluntary sector organisations that had "indicated ... an interest in quality systems as a performance or management tool". Therefore the study was among self selected organisations of all sizes. The 30% return rate further allowed for a bias toward the larger organisations. While a minority of their organisations studied had difficulty finding out what quality systems were available, all of the organisations in this study experienced some degree of difficulty in locating and

evaluating the applicability of quality systems. This implies that the survey of self selected organisations may not have been indicative of the situation in the sector's organisations that are relatively small in size.

Kramer (1987) suggested that, as an item for future research, the making of “longitudinal studies...[be undertaken] to learn how different types of [organisations] adapt to changing circumstances in their environment and to answer the question of why some organisations succeed better than others.” An argument can be made that the characteristics of organisations that are better placed to plan also reflect organisations that are better placed to adapt to changes and to succeed. (See Section 16.7 suggestions for further research.) The concept of being proactive and energetic also is involved in this area of small scale charitable organisations. For example there is a listing of charities known as *Charity Choice* (2004). The 13th edition of *Charity Choice* (2004) has an entry for four of the organisations involved in this research. The two other organisations involved in this research, although not included in *Charity Choice* (2004), are both classified in this research as being in the passive group. Inclusion in the aforementioned "encyclopaedia of charities" reflects an active solicitation of status and funding since this publication is targeted to philanthropists and other funders. This example is typical of the variation in behaviours of the organisations in this research. The organisations with energetic, forwarding looking, planning leaders are actively developing outlets for disseminating the message of the cause of the organisations. The less active organisations are more insular.

Reed, Jones and Irvine (2005) put the evaluation debate in perspective. The real tension is between evaluation for the benefit of the organisation and evaluation for the benefit of the funders, government, and other stakeholders. The authors conclude that there is a distinctiveness to the sector in that individuals go beyond the "official" remit and create "added value" in a social sense.

Section 15.2 Implementations of planning over time

The time period involved for introduction of the EFQM Excellence Model ®, and the indirect method of introducing the EFQM Excellence Model ®, provide the organisations an opportunity to follow the stages of strategic planning, as set out in Kearns and Scarpino (1996) (their *degrees of sophistication*), of

1. pre-planning activities
2. awareness of availability
3. assessment of its fit with organisational needs
4. adoption and perhaps adaptation,
5. institutionalisation, and
6. business planning and ongoing plan evaluation.

The observations and other results of this research did show an increasing awareness of the existence and availability of frameworks and techniques. The interviews showed the insightful assessment by the management of the 'fit' with their needs, once the tools were introduced. The research also showed an adoption of some of the planning techniques and a longer-term vision by the staff and management of the active organisations. Despite this, none of the organisations has embraced a new named framework such as The Big Picture, the EFQM Excellence Model ®, or PQASSO as a framework for future, iterative planning sessions. Delta has continued its use of SQMS, rather than implementing and adapting another framework. Following this research effort, when SQMS was disbanding, Delta began the process of adopting and adapting the EFQM Excellence Model ®. However, confirming the findings of Paton, Foot and Payne (2000:27), management takes time and the process is much slower in the voluntary sector and especially in the smaller organisations. Overall the planning and evaluation were more general in nature and followed requirements made by funders. As noted by one director, the organisations must proactively select a quality model before the funders thrust the requirement on the organisations. (See Reed Jones and Irvine (2005) on the evaluation debate.) The requirements set by the funders could be considered coercive in nature. Those requirements included reporting with verifiable evidence to support data

reported. The funders then would be confident of the outputs, as opposed to trusting the small charitable organisation to accurately report its activity without evidence. The public sector, in turn, is implementing policy that may be ambiguous. (Schofield, 2001) As observed by Schofield (2001:259.), "the detailed processes by which learning occurs, and how learning is routinized and maintained have all but been ignored in implementation study research and design." As seen in this research, the use of Institutional Theory for analysing and organising the evidence highlights the process used by active organisations of learning about planning that becomes routine and maintained. As shown by the weekly staff meetings at Delta and monthly staff meetings at Gamma; training, learning and development are part of the normal routine. Furthermore, the evidence collected points to the characteristics of small, charitable organisations that are moving ahead and implementing the public policy of using quality models. (See Chapter 13.)

In Section 4.6 the characteristics identified with the rate of adoption were described. These characteristics were "relative advantage, compatibility, trialability, observability, and freedom from regulation". (Edwards, 1989) Taking each characteristic in turn, the circumstances observed during the research did not equate to the identified characteristics. The director of Delta had identified the relative advantage of using some form of planning. In the case of Delta the form currently used is SQMS. As further discussed in Section 15.14, the organisations have a sense of independence and uniqueness that makes compatibility with formal frameworks difficult. None of the holistic models and tools provides an inexpensive opportunity to trial the processes. Thus trialing the models and tools for possible adaptation is not readily available. On the other hand, the concepts of quality, learning, and improvement were trialed and accepted. The observation of other organisations already using standards and/or models takes time and effort. Also benchmarking exercises take a high degree of trust. (See Sections 3.14 and 3.15, and Benchmarking article by Ogden and Wilson, 2000.) Although not obvious, Cirrus observed their counterpart organisation in another city and Gamma observed other respite care

organisations in the City of Edinburgh area. Finally, the voluntary sector is not free from regulation. As previously discussed, the SORP 2005 and the Office of Scottish Charity Regulator are specifically directed at the voluntary sector. Thus the characteristics identified with the rate of adoption are not present at the current time. In fact, these major changes in financial and general regulation create a turbulent, risk filled environment.

Section 15.3 Risk management

Risk Management is a significant aspect of corporate governance. An organisation's board is expected by members and funders to analyse and minimise the risks to the organisation. Such a responsibility for risk management is also applicable to the Trustees/Board members of a charity. Institutional Theory describes the process of acquiring and utilising practices perceived by the organisation as being an improvement upon the organisation's current policies and procedures. (See Section 5.2 The Concept of Institutional Theory.) Being reflective of other organisations, the same methods and requirements are adopted. This normative isomorphic behaviour is encouraged by government pronouncements and funders' requests for reports and evidence. However in addition to the normal risks, there are arguably additional risks applicable to a charity by virtue of the members/users that are not encountered in other organisations. According to Kemshall and Pritchard (1996), a person with mental health issues needs an assessment of their risk to the organisation and to themselves. According to a community psychiatric nurse in Edinburgh, a person living with the effects of dementia usually is assessed for risks to themselves and their community. According to a worker at Ephraim, a person living in a community but not comprehending the language of the community may misunderstand or misinterpret an interaction. The person may not consider the advice or information as being helpful. All of the organisations frequently seek to be aware of the risk assessment on behalf of their clients in these types of areas. According to informants at Delta, a person being trained in IT skills may be from any number of backgrounds. The seeds for misunderstandings and misinterpretations are present and therefore a risk assessment is necessary. At

Beta Training, the assessment of the success of training a prospective client involves a commitment of time, money, and resources. Only Festal, the social enterprise, is spared the need for this exercise which drains time, energy and resources away from other necessary activities such as quality assurance. But this extra concern is also the aspect that accounts for the existence of such a charity - its heart - its reason for being. It is the aspect that makes the voluntary sector "vulnerable but not weak".²² This evocative behaviour arguably overpowers all other routines, institutions, and approaches. On this basis, the intraorganisational relationships have the above coherent, holistic explanation that is recognised and understood by other organisations in the sector, and perceived by the public and private sectors to an extent.

The Care Commission is a regulatory body. The regulations of the Care Commission require that organisations with a care remit register with the Care Commission. Such a requirement is within the Regulative pillar of Institutional Theory. The requirement by the government to register with the Care Commission could be considered coercive. Nevertheless the £500 - £1,000 fee per year is a drain on very tight budgets. Thus the £500 fee every three years for Investors in People is difficult to justify. However Investors in People is a national standard and a part of the Normative pillar of Institutional theory, where the behaviours and institutions of other organisations is imitated. One particular charity became aware of the Care Commission. Registration was required of Gamma. The awareness of the existence of the Investors in People standard however was through participation in this research project.

Moreover in the case of Gamma, the first comment by a volunteer was that the standards are already excellent and he would not hesitate to have a relative attending the service. Such a comment was emotionally oriented. The volunteer questioned the necessity for either of the standards being met and the fees being paid. The director defended the external assessments as necessary to keep the

²² The researcher is thankful to The Very Rev. Kevin Pearson for suggesting this phrase.

high standards that have been attained. That is also the reason for the continuing training aspects of the service. The continual striving toward excellence takes energy. The results of the study show that successful organisations do plan in some form and the best organisations use guidelines, tools and methods of which they are aware and are able to adapt and adopt. This discussion leads one to recognise the interorganisational, holistic relationships of organisations to quality assurance organisations which disseminate and promulgate quality tools and frameworks.

As initially described in section 3.17, a final identified risk to the survival of the organisation is the withdrawal of funding that may occur if the funder is not confident of the effective and efficient use of the resources. That confidence comes from evidence reflected in the reports of accountability. The alternative to being accountable and providing evidence is for the funder to trust the organisation to provide the services without providing a report of the costs or the level of satisfaction of the persons served by the organisation. An organisation that obtains most of its funding from public collections, donations, legacies, and other sources, not including governmental bodies or trusts, can pursue activities without reports other than those general, overall reports required by regulations. Reporting therefore to the Office of the Scottish Charity Regulator (OSC) and to funders is an interorganisational, functional relationship. The report allows a holistic picture of the organisation as a unique, independent entity to be presented.

Section 15.4 Conformity

The financial accounts of Alpha are annually reviewed by an accountant. The accountant prepares the statements used for the annual report to stakeholders. The need to follow these practices is recognised and accepted, but the mimetic behaviour of other organisations (Normative) has now verged into the sphere of the Regulated. The legal requirement for the accounts to be reviewed annually dictates this aspect of their behaviour. Because the financial systems are minimal, the financial examination is relatively extensive. Alpha was

encouraged to undertake financial controls and financial management that more closely resemble good practice. That is to say, Alpha was encouraged to conform to modern good practice.

In the same way, Ephraim was encouraged by the City of Edinburgh Council to follow good practice in its bookkeeping practices. However in the case of Ephraim most all of the funding is from the City of Edinburgh Council with a remit for persons aged 50 plus. The negotiated action plan constitutes a Service Level Agreement. Therefore Ephraim is expected to conform to expectations of the funder in all aspects of the organisation. This is in contrast to the expectations of Ephraim's director that, as an independent body, Ephraim should decide its own activities outside of the time and money devoted by the funder.

The other organisations have more complicated funding and more complicated financial management. However the conformity with expectations of the funders is a consistent finding in the previous chapters. Delta and Beta Training have obtained funding from the European Union. That funding is obtained by competitive tender. The European Union's programmes require extensive monitoring and evaluation of the individual projects, as well as interim and final reporting in order to access the monies. These programmes, such as Objective 3 of the European Social Fund, Leonardo Programmes, and Socrates Programmes, have overarching objectives. The organisations have to conform organisational activities and objectives to the objectives of the European Union to successfully compete in the tenders. Cirrus conforms to the reporting requirements of the main funder of their activities. Beta Training and Delta conform to the requirements of their various funders. Gamma conforms to the requirements of its main funders. Additional reporting is prepared as necessary by each organisation. Trusts and foundations may provide lesser amounts of funding. They may also require reports of the use of their monies.

Conformance can take other forms. Beta Training keeps records for the payroll preparation. All of the organisations keep the invoices paid in a tidy order for

the year end financial review or audit. Beta Training, Ephraim, Delta, Gamma, and Cirrus keep records of holiday requests. In each case, the director is requested to review and agree to the holiday requests. The same procedure is followed for other requests for time off. These procedures conform to the expectations of employees and to the usual procedures found in offices. The cases described in Chapter 8 reflect this tendency to conform to expectations of office procedures. Governance may or may not be expected to be from the top of the organisation. As noted by Taliento and Silverman(2005) "the people who are the deliverers of the product are also, in many ways, the owners of the governance structure... [The loyalty of the professionals] is more often to the profession than to the organisation." These quoted statements are confirmed in the findings for Cirrus and Delta.

Another source of conformity is the existence of service level agreements (contracts) for delivery of public sector services. As noted by Charles Nall (2007), the recent report by Nick Seddon (*Who cares? Civitas*) "suggested that some charities are *de facto* state bodies" This lack of independence would cause a lack of transparency to the organisation. The processes and procedures would reflect the public sector.

The voluntary board or executive committee conforms to guidelines provided. Guidelines are available from the Institute of Chartered Secretaries and Administrators and from the Scottish Council of Voluntary Organisations (SCVO). (ICSA, 2005; SCVO, 2005) Robert's Rules of Order are available from textbooks and from the Internet to guide the governing body in conforming to expectations.

As shown in the findings and as discussed above, the conformance evidence is stemming from initiatives within the financial industry, funders, and employee expectations of office procedures. The financial industry enforces the conformance with higher charges when the independent reviewer or auditor performs more of the operations. Thus conformance with the financial industry

requirements reduces the cost of financial record keeping. Therefore all of the organisations conform to the normative requirements of keeping records.

The funders enforce their requirements by giving or withholding the funding. Thus conformance increases the ability to access funding. Funding means the ability to pay employees and to pay for equipment or services required. Thus funding is the lifeblood of the organisation's survival and growth. Therefore the organisation conforms to whatever the funder requires, no matter how coercive.

The employees enforce the office procedure expectations by requesting the time off. The employees and volunteers may be making plans for holidays in several months' time. The organisation might find tracking when, and how many, of the employees and volunteers will be out of the office difficult without procedures for recording the information. How many people are available and how many will be absent may influence the level of service available. Therefore the mimetic, normative behaviour of conformance to the expectations is useful.

Stone (1989) suggested that under Institutional Theory “conformity increases ... the chances of success and survival (Meyer and Rowan, 1977; Scott, 1983; Scott, 1995)” [of organisations in the voluntary sector]. This research reinforces that finding in regard to small scale charitable organisations in the voluntary sector that are attempting to conform to the requirements of funders in order to survive.

This encouragement to imitate holistically explains the behaviours and systems encountered. The volunteers brought learned systems from previous organisations, forming an interorganisational relationship. The staff and volunteers of the various organisations also bring their attitudes and ideas of leadership.

Previous ideas of staff and volunteers about systems and about leadership were not investigated. However, the observations of staff meetings and the structures

of the organisations as presented during interviews consistently reflected the private sector arrangement that the person at the head of the organisation was the leader and therefore to be followed. This attitude though is tempered at Delta by a democratic, team approach where ideas are presented by all staff and equally evaluated. In addition, all staff members are involved in teams of various kinds such as fundraising, quality, monitoring, health and safety, outreach, etc. Gamma is more traditional in that the director is expected to originate changes, and encourage learning and development.

The above discussion confirms the findings of Ostrower and Stone (2006) and Weick(2000) as cited in Section 5.2 on page 87 that leadership is important and that women are allowed more leadership in small voluntary sector organisations; i.e. five out of the six charitable organisations encountered are led by women. The organisations encountered in the voluntary sector respect the clients and the workers (paid and unpaid) in the sector. Also, as previously noted, the client groups are vulnerable.

Section 15.5 Attributes and Perceptions

Excerpts from Milford (1992:60) state that "we almost inevitably equate the words feminine and masculine with female and male." "In our society, we ascribe the nurturing and community building characteristics to the feminine and the challenging and ordering characteristics to the masculine." "Now many men are good nurturers and community builders and many women are good challengers and organizers. Both individuals and society require a balance of both characteristics; gender is not a guide to their possession." "..Masculine has been predominant" in our Western society.

Transferring these ideas to the perceptions of the private sector and the small voluntary sector organisation, one could perceive the private sector as possessing more challenging, 'masculine' characteristics (attributes).

Reviewing the evidence presented in Chapters eight (8) and fourteen (14), the functionality has been emphasised. However the teamwork approach and the respect for all people come through. Respect is evidenced by 'knowing the people' and 'being able to talk to the supervisor'. Section 8.17.1 on collaboration relates the mutual respect in the voluntary sector.

Further reflection on the contrasting attitudes of people in the voluntary sector and private sector produces thoughts about contrasting attributes and perceptions of attributes in these sectors of society. As reflected in Chapter eight the organisations in the research support and develop the clients, i.e. nurture them. The collaboration section (Section 8.17.1) reflects the working together and organising of the organisation, rather than challenging. However the competitive nature of the European funding is more a challenging aspect to the environment. As previous stated, the reality is not 'either - or' but 'both - and' with a balance among the various possible aspects. The above discussion leads to thinking of the various aspects as two columns of extremes:

Feminine

Masculine

informal	formal - but confused
emotional	cold/cool - logic, organised, bureaucratic rational
network-partnerships stand alone	- independent
passive	aggressive
gentle	macho
sensitive	goal (profit) driven
frail, vulnerable	power
normative	utilitarian
multifocus	focussed
teamwork	teamwork maybe
cohesiveness	power

As stated, the impression from these columns is extreme. In reality the answer is not 'either - or', but 'both - and'. (Whitehead and McNiff, 2006) The extent of the attributes tending more toward all in one column or the other is the real question. Based on observations and discussions, the voluntary sector tends toward the feminine column of attributes. This seems especially apt considering that the governance is more likely to be more feminine. (See Kissane (2006).)

The diagram below also explains the resistance to quality models by the voluntary sector. In reality quality models are neutral. How they are perceived and how they are implemented are both important. That is to say, the voluntary sector would perceive the quality model as being formal, professional, and more business-like (i.e. masculine). The quality framework is perceived as coming from the private sector and therefore must be 'masculine'. An example of this perception was the comment from a member of the staff of Cirrus that the language was too business like and too hard for them. In addition, the use of the model would reduce commitment to the cause as an emotional stance in their estimation. An example of this concern was the comment from the member of the Board of Directors of Gamma that the tools and frameworks should not reduce the level of care and commitment to the clients shown currently. Although the people of the voluntary sector want to be perceived as more professional and quality, the formal and masculine aspects are to be feared and shunned. Their independent thought process prevents a swift implementation of any model. An example of this is the delay at Gamma of implementing Investors in People and the delay at Delta of transferring from SQMS to the EFQM Excellence Model ®. Therefore besides the balance between quality assurance (tick box) and quality management (continuous improvement), each organisation needs to find their balance between:

- Amateur and professional

- Formal and informal

- Masculine characteristics and feminine characteristics

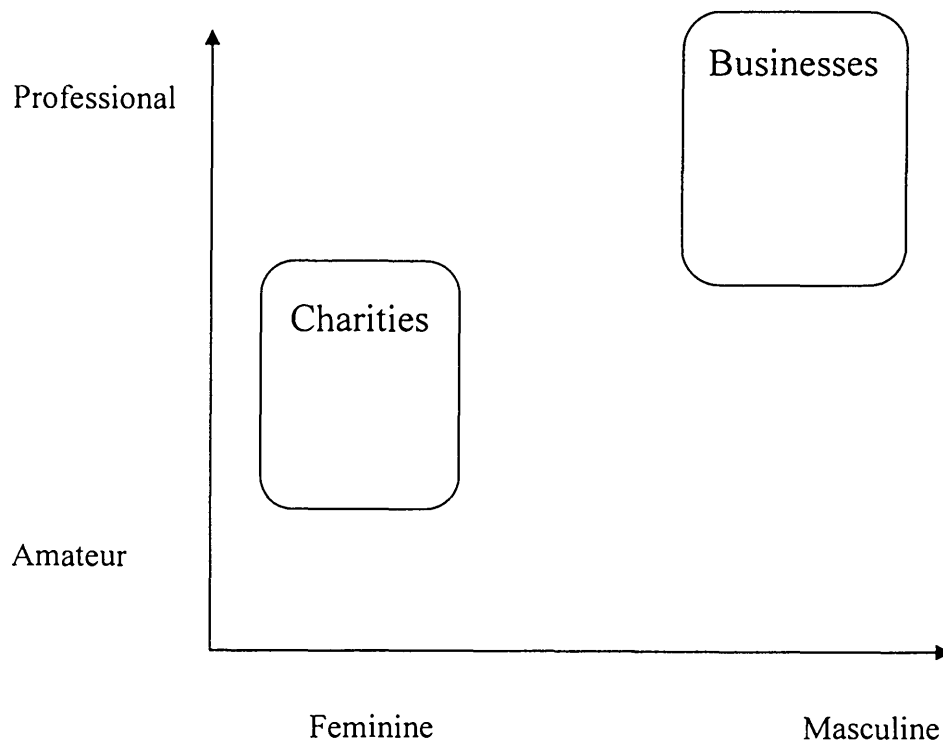
- Quality Assurance and quality management

Alpha is lacking in professional qualifications. However the people are very professional in handling office work and relations with the accountant, regulators, etc. Among themselves they are very informal. However the letters and other correspondence are very formal. Their quality in their handling of food and relationships with the hospital are there but not accompanied by any framework. As trusting people, they exhibit more feminine characteristics. The same type of complex mixture of professionalism in office procedures and correspondence combined with informal interpersonal relationships is found in all of the organisations. The organisations working with vulnerable groups such as Gamma, Delta, Cirrus and Beta training are especially cognisant of the need to respect the clients and to care for their best interests (nurture). All of the organisations enforce boundaries between the office and personal lives. This is one aspect where professionalism is uniformly evident.

The above discussion verifies that the more 'business like' organisations have reduced the informality and increased the professionalism. The feminine characteristics are on the verge of being reduced unless active leadership is evident to retain the respect for everyone encountered and to retain the nurturing characteristics. The balance between quality assurance and quality management is less clear, partly because of the lack of knowledge in the voluntary sector of the various quality models and the differences between them. This lack of knowledge is over and above the emphasis of some voluntary sector umbrella bodies on quality assurance models, such as PQASSO or SQMS, being used rather than the Excellence Model.

A figure follows reflecting the researcher's understanding of the relationships.

Figure 15.5 Model of differences



The above diagram explains the difference between the voluntary sector (charities and others) from the for-profit businesses. The perception of the voluntary sector as amateur is not always accurate. Some charities such as Gamma, Cirrus, and Delta employ professionals for the work to be carried out. On the other hand, the perception of business as professional (not amateur) is not always accurate either. Some experiences of the handling of customer service by firms are less than stellar. By feminine, the diagram is denoting the more nurturing, loving, respectful characteristics being more emphasised. By masculine, the diagram is denoting the more aggressive, profit seeking characteristics as being more emphasised.

In interpreting the diagram, one should not confuse Professional with formality. Although the increase in formality is consistent with professionalism, it is not necessarily coincident. Also although an increase in quality is consistent with professionalism, it is not necessarily coincident.

My interpretation is that the organisations and individuals in the voluntary sector instinctively shy away from prescriptive models that would tend to emphasise masculine characteristics of aggression. This reflects a natural attraction to models modified to reflect their sensitivities and respectfulness of the clientele. It also reflects their natural aversion to dehumanising behaviours.

In contrast, a neutral non-prescriptive model that asks the right questions would be between the masculine, aggressive for-profit sector and the more feminine, networking voluntary sector. The difference is not in the model, but in the way it is interpreted and implemented. This premise could be useful in disseminating quality models with less resistance from the organisations and from the umbrella agencies. That is to say that the use of The EFQM Excellence Model ® instead of The Big Picture or PQASSO or SQMS is appropriate if sensitively introduced for use in their own way, preserving their way, their institutions, and their independence.

Further the influences of the organisations from environment and the perceptions of those influences cause the isomorphic behaviour of attempting to use quality models and tools. The difficulties are: capacity to cope with the financials required and the decision making, the governance and vision to see into the future, the influences and occurrences from the environment, the perception of the model as being from business (aggressive, competitive, 'masculine') and therefore not applicable, the aptitude and attitude of the staff and of the management, and most importantly the balancing of all of the above. As expressed by one respondent, "we need to apply business principles without losing our ethos or ethics". This conclusion partially fills the gap identified in Section 2.2 on page 13 of understanding the complexity and accountability of the small voluntary sector organisation.

The insight that the influences on the organisations from the environment and the perceptions of those influences cause the isomorphic behaviour of attempting to use quality models and tools is new and original with this research. Previous

research has not pinpointed a reason or explanation for the way the *small* voluntary organisation reacts to the external influences which encourage the use of quality models. This research has pointed to the way to approach putting the quality models forward to small voluntary sector organisations. This change in approach should lead to a greater willingness to consider use of quality frameworks and tools as part of balancing the interests of the various stakeholders which exist in their complex situation. Further, this finding concerning the influences is accompanied by other original findings as reflected in the following four paragraphs.

The limited level of action research embarked upon by the researcher meant that the EFQM Excellence Model ® was not actually implemented or interpreted by any of the organisations during the data collection phase. As the thesis is being completed, one of the organisations is in the initial stages of interpreting and implementing the EFQM Excellence Model ®.

The processes are in place. However in many areas the documentation is limited. This lack of completeness reflects the less sophisticated (institutionalised) reflection on what and how the services are provided. It also reflects the fact that the work, 'the cause', takes precedence. This reflects the commitment to the clients who are needful and/or vulnerable. The people being served are the first priority. The organisation and its needs, including governance, has a lower priority. Only survival and absolute commitment motivate the organisations and their people. These values take precedence. The capacity building of the voluntary sector by the European Social Fund in a non-mandatory format has assisted the organisations. The coercion and manipulation of the funders has had an effect. However the organisations have resisted rather than embraced the changes.

Many authors have discerned characteristics that make the voluntary sector different, including the trust and values aspects. As detected by Dyck and Schroeder (2005), attitudes are important and the voluntary simplicity (high

individualism and low materialism) or radical management (communal and meet needs) attitudes are closer to the perceived attitudes of persons in the voluntary sector. The difference in this research is the application of that understanding to explaining why the EFQM Excellence Model may or may not be able to be implemented.

As reflected in the graphs and correlations in Chapter 14, the leadership is key to comprehending the epistemology of the member of staff of the organisation. The leader interprets the capacity of the organisation and its ability to manipulate and implement the chosen model. The model chosen has to reflect the degree of professionalism, teamwork, and staff development already in place. The leader knows their capacity for learning and developing further. If the organisation is strong (well led) it can implement life their way. It doesn't mean that they aren't feminine. It means they have a will of their own and do things their way. Therefore, the introduction and implementation of quality models is more probable in organisations where the director is recognised as a leader. Even so, the organisations need to exist to implement quality models and tools.

Section 15.6 Survival Barrier

In all of the organisations it was stated that time is an issue. Everything takes time. Simple planning takes time. The directors were united in declaring that planning models take more time. The time is needed to understand the model. Also the stakeholders have to understand the model. Moreover the model may not be right for the organisation without modification. Reflecting upon a model and deciding to adapt it would take time. Among the considerations would be whether the adaptation would nullify the intent of using the model.

The directors were not familiar with the various models. The models spoke a 'foreign language' of business. The directors did not have time, skills, or inclination to modify the models. The reflection and adaptation would not only take time, but would also take consideration of the reasons for the individual aspects of the model and their applicability. Therefore the directors of the

organisations were looking to the researcher to explain the models and their implications. In this way the directors could learn of the models using less time. The operations of the organisations would be thereby less affected by the need to learn - and take time.

Time was used in the generic planning. The time spent on the generic planning provides a focus for the organisation. That focus is reflected in proposals for funding. Time was expended in writing proposals for funding. However, if the generic planning was not undertaken, even more time would be expended in this proposal writing aspect of the work. Time was expended in writing reports for the funders, for the board, for the members, and for regulatory bodies. Time spent on these activities is time not spent on the main work of the organisation. Funding was provided by the funders solely for the main activities to be accomplished. There was not sufficient funding to provide time to accomplish the above core duties (costs) of organisation of main activities, fund raising and governance, no less time for understanding planning models.

The main barrier found to planning in small scale voluntary sector organisations is that **these organisations are too busy surviving to adopt strategic planning tools and techniques unless, and until, the funders make it in the best interest of the organisations to do so.** Nevertheless as the director of Gamma pointed out, meeting the standard does look good on their letterhead and the organisation will be able to access additional funding after obtaining the standard. The implication of this need to survive and therefore to restrict time spent on quality models is that the leaders need to be provided assurance that the time will be well spent and bear fruit. Holistically and interrelationally the organisation needs assurance of applicability. These independent thinkers will politely listen and then, either because of time barriers or other factors recited in this and in previous chapters, will not proceed with the quality models. This means that the organisations may not have understood the communications and their implications.

Section 15.7 Communications Barrier

As shown in the results chapters, the organisations which recognised the communications barrier were the active organisations. That is to say that only Cirrus, Delta and Gamma recognised this barrier.

That is not to say that Ephraim, Festal, Alpha, and Beta Training did not experience communications barriers. The experience was not, however, recognised by the organisations' members of staff as a high priority area for improvement. Their time and attention turned to funding, time, change and staffing.

During the timeframe of the research both Beta Training and Cirrus had a change in Director. Both Gamma and Festal had persons on long term sick leave. Alpha experienced a large downsizing exercise. Ephraim also experienced changes in personnel. The difference lay in the handling of the changes and the recognition given that the real issue was communication of the change and its implications.

In Chapter 8, Cirrus provides evidence of the awareness of the staff of Cirrus of their dependence on the administrative member of staff to coordinate communications. Delta reflected the dependence on Computer Information Technology (ICT) for communications within that organisation. Gamma's use of support and supervision to create a continuous flow of communications is reflected in the evidence presented in the findings chapters. Therefore all of the organisations had communications barriers to overcome. However, in addition, the organisations all must comply with the law and other directives

Section 15.8 Compliance Barrier

As incorporated entities, Beta Training, Gamma, and Festal are required to comply with the Companies Act and company law. Although this type of structure allows the members of the Board to have limited liability, the structure was designed for the private sector. The financial statements prepared for

submission to Companies House are reformatted and abbreviated for the use and understanding of the members of the organisation and its other stakeholders. The parent organisation of Delta and Cirrus requires the submission of data in a set format. That format is different from the format required for reporting to the funder(s). The creation and duplication of data is time consuming and forms a barrier both to efficient use of resources and to understanding of the organisation. All of the organisations try to comply with the law and regulations received from governmental bodies. However the conversations with informants consistently presented the dilemma that some "nonprofit board members...don't understand their nonprofit roles" (Taliento and Silverman, 2005) For example, according to the director, the executive committee members of Ephraim have not received training in their roles and responsibilities in several years. The same could be said of the members of the Board and executive committees of all of the organisations.

In addition, the literature states that "business leaders don't [always] cope well with the ... voluntary sector's different culture and demands." (Taliento and Silverman, 2005) The number of business leaders directly involved in the organisations in this research is minimal. Festal has no business leaders involved. Ephraim has approximately three business leaders in any one year. The parent of Cirrus and Delta has three academics and two retired business leaders on the management committee of 15 people. However their lack of understanding and lack of coping with the realities of the voluntary sector are still very true. The user members are familiar with the actions of the organisation, but not with the governing function and its requirements. As shown in the evidence from Ephraim, some of the members of the governing board did not understand or cope with the difference in role. An interview with the director of the Edinburgh Voluntary Organisations' Council (EVOC) brought out the similarities to small and medium size enterprises (SME's). That interview also revealed the need perceived by EVOC for training in governance, compliance and the unique nature of the voluntary sector.

The smooth running of the organisation that results from compliance, understanding, and communication is reflected in the results of this research.

The more comprehensive results of realising that changes in the law have occurred and led to changes in the policies and procedures of the organisations is also reflected in the results chapters. The compliance with the changes takes time and attention, and therefore the time and attention required become barriers themselves to the compliance. Again, the 'keeping the show on the road' requirement of operations to assist the vulnerable clients takes precedence over all other factors that are balanced in the holistic intrarelational and interrelational view of the organisation.

The funding for projects is made without understanding the consensual way that the voluntary sector sets objectives and goals. The consensus of stakeholders is reflected in the many viewpoints consulted before changes to policies and procedures are implemented. Again, the obtaining of a common viewpoint takes time, and the time becomes a barrier to compliance with funders expectations.

Although compliant, the processes and procedures are transformed. The expected direction from the director as leader is in conflict with the voluntary sector's concepts of democracy and teamwork. The conflict is accommodated by change and resistance to change within the organisations as institutions.
(Friedland and Alford, 1991:255)

All of the organisations recognised the expectation to comply with rules and regulations and changing requirements. However, as shown in the above discussion, the time and training to accomplish that compliance become barriers.

Section 15.9 Financial Management

As reflected in the results chapter 10, generally the simple capability in accounting is matched to simple sources of funding. As the evidence observed

confirms, a higher capability is utilized to access more complex funding arrangements. The more complex the funding accessed, the more comprehensive the financial systems and financial management. The paradox is that the development of the financial aspect of the organisation precedes the accessing of the funding. However the funding precedes the training occurring, unless either the person is hired with training or the training is obtained without incurring expenditure of financial resources. Gamma experienced both avenues. First, a financial person was trained through the European Social Fund programme without expenditure by Gamma. Second, a financial person was hired with financial training. Beta Training, Festal and Alpha experienced the first avenue of training a person without expenditure by the organisations. Ephraim, Cirrus and Delta had no changes in their personnel and no additional training of their personnel. However Delta has planned for additional training of the financial person. The above discussion confirms the results from Chapter 10. Further, the stronger the financial function, the stronger the data presented to the management committee or board that makes decisions; thereby reducing the barriers to compliance in decision making. This research confirms prior research finding in this area. However **the relationship between the financial management and the development of quality by the organisations has not previously been pointed out.** This relationship means that in order for the quality models to be presented and implemented at small voluntary sector organisations, the financial capability, communications and leadership need to be addressed as part of the implementation of the quality models by organisations in their own way. By implication, then, the capacity building provided by the European Social Fund improves the financial management and therefore the development of quality at small, voluntary sector organisations.

Section 15.10 Timescales for implementation

As discussed above, time is a precious commodity. In all of the organisations the directors agreed on this point. The literature from The European Foundation of Quality Management on the EFQM Excellence Model®, and from Quality Standards Task Group, expect implementation to take time and the embedding of

a model to take five years. (European Foundation for Quality Management [EFQM], 2001 and Quality Standards Task Group, 2000) The research timeframe utilised was two years and therefore embedding would not be expected to take place. The expectation of implementing a model was also not realised with the timeframe available. Gamma successfully accessed and implemented Investors in People as a standard. However, as was recognised during the initial assessment exercise, Gamma had implemented 85% of the standard before initiating the process. The other organisations are still considering the models available and the implications, before deciding if and when to implement any other tools or models. The experience of this research confirms the literature's careful consideration that standards are more likely to be implemented by organisations that are very close to accomplishing the standard before actively working on such an initiative. The process of learning about tools and models takes a long time. Gamma reflected upon Investors in People standard for six months before initiating inquiries about pursuing the attainment of the standard. However this research also reflects the longer time scales utilised in the voluntary sector based on stakeholder consensus building before a decision is made or implemented. Thus, as noted in Section 15.18 (Wing, 2004), the research period may be too short and the measurements taken too early.

Section 15.11 Leadership

One of the themes of the research has been leadership. For example, Hayden (1986) points out that a balance between entrepreneurial leadership and participatory democracy results in a process that is transparent and systematic (1986:12-13, 329). Fredriksson (2004) noted that “leadership of voluntary workers is different, and ‘diplomacy’ is an important factor” In Chapter 3 the descriptions of The Big Picture and of the EFQM Excellence Model ® also involve a discussion of the leadership aspect. Further Hides, Davies and Jackson (2004) state that Burton (2001) noted that Leadership provides constancy of purpose. Band (1991) stated that “change requires leadership”. Further, according to Tanner (2005), “Leadership has a key role to play.”

The evidence collected, as reflected in the results chapters, records the leadership experience of each of the organisations. For example, Alpha leadership by the Chair and the Secretary were evident. It is noted that the director of Delta has natural leadership ability and is keen to follow the lead of larger organisations. The director of Delta has knowledge of the general parameters and the requirements for evidence. Further it was noted that the Director of Delta is a natural manager and a natural leader who encourages teamwork and inclusion of all the staff in all areas. However it is important to also note that the leader of Delta has no formal education in management and no skills assessment preceded appointment as director of the programme. The observations and reflections on Cirrus are an example where the importance of leadership becomes self-evident. This was especially true at the time of transition from one director to another since that change coincided with a change of location for the programme.

The cases confirm the observation by Schlosberg in an article by Taliento and Silverman (2005) that “in the nonprofit sector there’s much more reliance on the leader, and less developed teams and talent underneath.” Yet one of the basic factors for quality, growth and development seems to be leadership. Ephraim has a project leader. However one of the conveners confided in me that the project leader lacked the follow through of a true leader. During the data collection overtures were made for training the directors of Ephraim. However the translation of materials and coordination needed for implementation of such training were not forthcoming. In contrast the project leader of Gamma has a longer term vision with interim steps thought out including training staff, arranging interim accommodation, and negotiation of a new, purpose built location. During the data collection time period seven members of staff were encouraged to take training and to succeed in acquiring additional care qualifications.

The range of leadership skills varied widely across the seven case studies. The leaders of Alpha just wanted to "get on with the work" and not worry about

quality or growth. Their skills were in place and their choices of personnel to do certain jobs were based on a skills assessment by the chair. The director of Ephraim, as cited above, lacked follow through. His need to get on with the work and to pay attention to the language needs of the staff and the clients took precedence. The head of Beta training changed during the two year research period and therefore lacked the continuity required. The skills existed to 'keep the show on the road' but not to vision to the long term. Festal as a social enterprise emphasised marketing and growth, with an eye to the finances, at the expense of the vision and mission that leadership would emphasise. The vision and mission were not lost. They were just not given centre stage at this time by everyone in a coordinated fashion. Again the leader of Festal had grown with the organisation and not received formal instruction in leadership or management. As in the case of both Festal and Ephraim, the day-to-day challenges and difficulties displaced some of the balance exhibited by Gamma and Delta. However that is not to say that the staff members are not professionals.

Section 15.12 Professionalism

The results reflect organisations where the staff and management are increasingly professional. Gamma, Beta Training, and Delta have attained the Investors in People standard. That standard requires that the people working with the organisation be developed and trained. The capacity to perform the main activities of the organisation is scrutinised and the need for training evaluated. Further, the paid staff of Cirrus involved in the main activities of Cirrus attain a professional qualification before they are considered for hiring. In addition, the volunteers are required to provide evidence of their capacity to deliver the level of professionalism expected. In the case of Festal, the professional capability of newer staff is evident. With staff of longer standing, the main cause of Festal is evident as well as professional capacity. The director of Ephraim received training in planning and the capacity to work with the staff was evident. However the concern with language skills as a primary requirement for recruitment was also evident.

As the director of Cirrus stated, "There is a need for boundaries." By this the director meant the professional attitude required of the members of staff. The staff are friendly with the users of the service, but they are not their friends or best mates. The relationship is based on the professionalism. In addition, the members of staff frequently have a professional qualification, as discussed above.

As the research ended, contact with Ephraim continued. The funder requested a fuller accounting and more detailed analysis of the management. The requirement for a professional attitude to the relationship became evident. The funder was paying for certain work to be done and was upset to find additional work undertaken when no additional funding had been sourced. The funder wants a more complete accounting and will receive it. For, what the funder wants, the organisation is to provide. The implied imperative is that if the funder is not satisfied, that funding source will be withdrawn. This coercive exercise of normative behaviour is indicative of the compliance by the small voluntary sector organisations.

The director of Delta has expressed the opinion that the use of models, tools and frameworks is becoming imperative in order to access funding. The funders, in the director's opinion, increasingly need evidence and a structured approach to be shown before funding will be provided. This requirement is especially evident in the European funding applications reviewed during the research. The preliminary application is 20 pages. The final stage application can be 40 pages. An interim report reviewed was 95 pages.

The above discussion reflects the imperative for a professional attitude. Further the evidence and discussion reflects that how the accounting is presented and the extent of the reporting are contingent on the requirements of the funder.

Section 15.13 Funders and Models

The research undertaken investigated the use of models, tools and frameworks by the small scale voluntary sector organisations. Although not explicitly included, the role of the funder impinges upon the understanding of the organisations. As described in the cases in Chapter eight, the funding is scarce and difficult to obtain. Ephraim, Gamma and Cirrus each have one main funder. Festal and Alpha use trading as a vehicle for making the organisations self sustaining. Delta and Beta Training have very complex funding arrangements including European funding. The funder of Ephraim, being the City of Edinburgh Council, increasingly emphasises evidence and use of longer term planning. The action plan currently in use includes timescales and measurement criteria. The director of Ephraim has stated that use of a model would be helpful. Gamma is funded through Social Work and health with implications for the NHS. Although currently only one source is accessed, the implication is that tighter budgets will call for greater reporting and funding from a greater number of budgets. However Social Work is part of the City of Edinburgh Council and the director has stated that use of standards and models will assist in maintaining the access to adequate funding. The evidence in Chapter 8 reflects the difficulties encountered by Cirrus in attempting to understand a model originating in the private sector like EFQM Excellence Model ®. The staff understood the use of a model would help with being understood by the Scottish Executive, their main funder. As reflected in the above discussion of the evidence, the staff and directors of the organisations understand that the funders are implying that the use of models, tools and standards would be helpful. However the funders have not explicitly stated which models, tools, or standards are preferred or required.

As described in Chapter 3, many tools, models and standards are available. Without a clear signal of their requirements, the funders indicate their preferences through the reporting requirements negotiated with the organisations. Increasingly those negotiations are explicit in the evidence and measurements expected. And yet, from the many available, choosing a model to

follow is difficult for the individual small voluntary sector organisation. As described in Chapter 2 and in Section 3.3, the voluntary sector is independent and is reluctant to have a funder dictate the pattern to be followed. Informal conversations with the directors explicitly stated that, although they are answerable to funders, the approach of the small voluntary sector organisation was not the approach of the public sector or the private sector. The private sector was seen to be for profit. The public sector was seen to be a funder, but not a body to be fully imitated.

Section 15.14 Independence and Uniqueness

Also, as more fully expounded upon in Section 2.2, the voluntary sector is not uniform in its nature and in its work. It has unique characteristics that cause the voluntary sector to be different. Most notably, the voluntary sector organisation focuses on the evocative aspect. (See Section 1.2.) The cause is the basic heart and soul of the organisation. That difference means that there are limitations to the use of Institutional Theory for evaluation. Section 1.3.3 speaks about organisations resembling the source of funding. (DiMaggio and Powell, 1983) The independence of the voluntary sector organisation and the recognised tendency of an organisation to resemble the funding source form a tension. Again, the independence of thought, independence of the organisation, and accountability of the organisation form a more holistic view of the balances required within the organisation and between organisations and the outside world.

Institutional Theory provides a mechanism for identifying the process observed within the organisations. The funders encourage the organisations to be more alike. The funders diplomatically encourage some processes to be imitated. Using Institutional Theory to analyse the process observed, one could argue that the closer resemblance of the organisations to each other would reflect mimetic behaviour. Gamma's reports to the City of Edinburgh Council are in the same sequence and calculated in the same way as the reports to the City of Edinburgh Council from Ephraim, Delta, and Beta Training. However the organisations

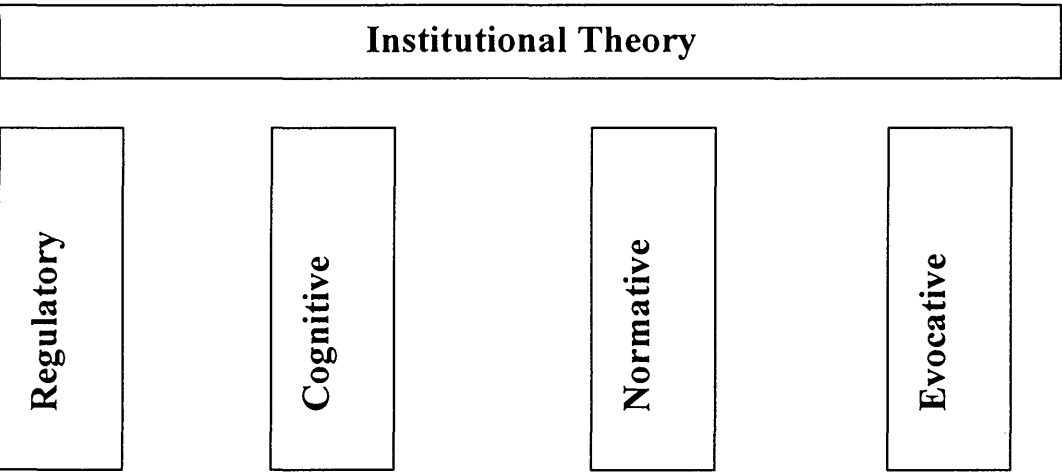
provide services in a wide variety of areas, such as training, art therapy, respite care, language support, social enterprise, and training and development for the disabled. The above reporting actions are accomplished to ensure the survival of the legal entity. Further, some plans are expected (normative) behaviour. Again these actions are to increase the perception by funders that they are like other organisations and are therefore legitimate and worthy of receiving funding. However the lense of Institutional Theory also reflects the aspects of the organisational arrangements that do not 'fit'. The commitment and values referred to in Section 1.3.3 reflect the evocative aspect of the processes of the organisations that is not described in the basic Institutional Theory framework. The basic framework describes the processes by which an organisation acquires procedures. The evocative aspect reflects that voluntary sector organisations have very clear missions and very clear values²³. The values and commitments are emotionally originated. The people of the organisation have a common bond with each other in the organisation's values and commitments. Therefore a more inclusive version of Institutional Theory which includes the evocative aspect put forward by Parsons (1951) is being utilised. Parsons (1951) included an additional pillar within the Institutional Theory framework. That additional pillar was a way of including the acquisition, clarification and description of the evocative aspects of the organisations. This more inclusive version of Institutional Theory more accurately reflects the difference between the process of acquiring (changing) policies and procedures for funding and accounting as traditional aspects of an organisation, and the process of clarifying the approach that is used for the main goal of the organisation to perform the good work. The approach to the work is emotional and does not necessarily take account of the funding. The funding, accounting, governance and organisational structure issues are more traditional aspects of organisations. Thus the more traditional pillars of Institutional Theory are appropriate for describing the processes used to acquire policies and procedures in these traditional areas. Therefore, for the survival of the organisation, the traditional issues are addressed. As suggested

²³ Tom Hughes-Hallett, Chief Executive Officer of Marie Curie Cancer Care in an ACCA Scotland Autumn Business Lecture 2005 presented November 24, 2005 in Edinburgh.

above, the normative, regulative and cognitive pillars of Institutional Theory are appropriate to describe and reflect on the processes used to change and manage the changes required by the funders. These changes, which are required by the funders, are attempts to force the accountability to be uniform. The figure below reflects this more comprehensive view of the Institutional Theory. It incorporates the traditional pillars with the fourth, additional pillar advocated by Parsons as interpreted by Scott (1995). That position is confirmed by this research as more appropriately reflecting a holistic view of the small voluntary sector organisation. This version of the figure is new with this research. It reflects the above findings in previous sections repeated here in a consolidated format. That is to say:

The difference is not in the model but in the way it is interpreted and implemented. If the organisation is strong (well led) it can implement life their way. It doesn't mean that they are not feminine. It means they have a will of their own and do things their way [evocative]. These organisations are too busy surviving to adopt strategic planning tools and techniques, unless and until, the funders make it in the best interest of the organisations to do so. And finally, the relationship between the financial management and the development of quality by the organisations has not previously been pointed out.

Figure 15.14 Pillars of Institutional Theory



After Scott (1995)

As described in Chapter 13, organisations that are ready to embark more actively on strategic planning using more structured models and tools can be identified by the perceptions of the staff to questions concerning the levels of support, understanding, and overall satisfaction with the organisation. Some secondary indicators such as knowing the job and duties coupled with clear perceptions, knowing their role, and levels of formality and paperwork also provide insight. Gamma, Delta, and Cirrus more actively form a framework within which the staff have freedom to embrace the passionate commitments of the organisation. Beta Training provides a level of support to the staff. However some of the other indicators are weaker in this organisation. The evidence presented in Chapter 13 indicates that the more passive organisations [Ephraim, Beta Training, and Festal] are perceived by the staff as providing a lower level of understanding and support of the staff than the perceived level of support provided in the active organisations [Delta, Gamma, and Cirrus]. Also other perceptions of the staff of the passive organisations are different from the perceptions of the staff of the active organisations. The level of formality and the level of paperwork are perceived by the staff of the passive organisations as higher. In contrast the staff of the active organisations perceive the level of formality and the level of paperwork as being relatively lower. These insights and indicators of active organisations are symptomatic of organisations that emphasise both emotional aspects of the organisations and the more traditional organisational aspects of accounting, governance and planning.

The organisations that have continued to resist the emphasis by the funders on reporting and on use of models and tools, have limited emphasis on the aspects of the organisation indicative of traditional aspects such as accounting,

governance and planning using models. Those organisations, such as Alpha, Ephraim, and to a certain extent Beta Training have continued to place greater emphasis on the emotional aspects of the organisation rather than the more "business like" aspects of the organisation, i.e. the evocative pillar rather than the other pillars. In relation to the traditional organisational aspects, Institutional Theory would facilitate description of the acquisition and institutionalisation of processes and procedures. In relation to the traditional organisational aspects such as governance, planning using models, and acquiring funders, these three organisations of Ephraim, Festal and Beta Training are less advanced and in this research were classified as passive. Although the emotional (evocative) aspect is emphasised at Cirrus, Delta and Gamma, their development as reflected in the approaches used for traditional functions such as accounting, governance, and reporting are more imitative of the source of funding (DiMaggio and Powell, 1983). That imitation is reflective of the traditional description of Institutional Theory processes. This discussion means that an analysis of the extent of resembling the source of funding not only reflects the degree to which Institutional Theory can be used to describe the acquisition and institutionalisation of policies and procedures, but also the extent that the organisations are using models and tools. Just as the director of Gamma understands that the City of Edinburgh Council as a funder wants *Best Value*, the director of Gamma also understands that the putting in place of systems, standards, and models will increase the delivery of *Best Value*. That delivery of *Best Value* will therefore lead to greater recognition and better ability to continue to access funding. In contrast the evocative aspect of the organisation reflects the unique nature of each organisation and its passionate commitment to an ideal. Although the organisations seek funding and have a relationship to funders, the commitment sets the organisation apart. The organisation thereby maintains its independence from the funders. Yet these very characteristics, as discussed above, reflect the concepts in small, voluntary sector organisations that lead to their not quickly accepting and implementing quality models. Unlike large organisations in the voluntary sector where the models are accepted and used, the directors of the small voluntary sector organisations perceive the

quality models as not for them. The directors have a relationship with the researcher and wish to assist the researcher in accomplishing the research task. However the maintenance of the organisation and its operations ('keeping the show on the road') takes precedence over longer term planning. The funding is short to medium term and therefore the matching planning is also short to medium term - not long term, strategic planning as expected by quality planning frameworks such as the EFQM Excellence Model ®. Thus the organisations, for the sake of survival, acquire policies and procedures for governance, accounting and using models for planning. However there are many models and tools available, and clear indicators are not provided as to which one they should choose. So the question remains. Which one? How should the organisation choose? The following sections provide insight into aspects of some of the models and tools more fully described in Chapter 3.

Section 15.15 Models and Tools

Section 15.15.1 PQASSO

When asked about this named framework, the respondents left this area blank. As it is not promoted in Scotland and is not familiar to any of the organisations in the research, there was no progress in the awareness of this framework. Although a well thought out strategic framework, the legitimacy of this framework would be questioned in Scotland by funders. Organisations must be sensitive to which frameworks are available and well known in their own area. This particular framework is known and accepted in England, but is less recognised in Scotland where The Big Picture is sponsored by the Scottish Council for Voluntary Organisations (SCVO) which is the umbrella body for Scotland's voluntary sector. From the above discussion, the conclusion reached is that very little is known of this framework in Scotland. Further, this framework, although presented in layers to imitate the EFQM Excellence Model ®, is actually created as a quality assurance (tick box) model to confirm the existence and documentation of certain provisions such as a business plan and personnel development.

Section 15.15.2 Social Auditing

The one example witnessed involved 60 to 80 hours of work to assemble and prepare the report. [The example of the use of this tool was not in the context of this research effort.] Creating such a report required a commitment of time and other resources that most organisations of smaller size cannot afford. In addition, this tool does not address the assessment of the whole organisation. As no further follow-up of this tool was needful or presented itself, no further note or use was made of social auditing.

Section 15.15.3 ISO 9000:2000

The responses to the questionnaires reflected that the organisations were unaware of this standard and its possible application to the voluntary sector. None of the organisations participating in this research used, or aspired to use, this tool or mechanism. Wiele, Iwaarden, Williams, and Dale (2005) found that only 10% of the responses to their questionnaire were from non-profit/governmental organisations. The return rate on their survey was 21% of the organisations sampled. This article states that ISO9000's 1994 version is seen as being "aimed at the assurance of quality consistency" (Wiele et al., 2005:101). In line with that concept is the idea that the existence of manuals and handbooks with policies and procedures can lead to the creation of standardized routines. The standardised routines can become institutionalised. Thus according to this article the 1994 version of ISO 9000 can be used as a "measure of avoidance of failure" (Wiele et al., 2005:103). The ISO9000:2000 version was studied in Holland. (Wiele et al., 2005) Perceptions of the benefits of using the revised standard were studied. Although the article concludes that many managers are very positive about the ISO9000:2000 version, the sample used for the survey was of organisations that had been ISO9000: 1994 accredited. The authors also state that "the 2000 version could be considered as involving higher development and maintenance cost and having even fewer clear benefits."

(Wiele et al., 2005:103) As shown in this discussion, the application of this standard was limited. Therefore no further note was taken of this standard except to ask about the existence of policies and procedures.

Section 15.15.4 Self-Assessment Workbook: Measuring Success

Although its availability was made known to the organisations participating in this research, none of the organisations followed up with this tool. Like The Big Picture, this tool can be applied lightly. Also only part of the tool can be applied rather than all of it. No explanation was offered by the organisations for not following up. However reflecting upon the part that the researcher was taking, the organisations were learning and implementing only the tools and framework presented by the researcher.

Section 15.15.5 Balanced Scorecard

The high level of time and resources required for implementation of a Balanced Scorecard has precluded pursuing this framework, which has limited legitimacy in Scotland for use in the voluntary sector. Balanced Scorecard presents only a broad framework. The organisation decides on the specific issues and how to measure each issue decided upon. As the model is not explicit, much time is required to fill in the issues important to the organisation, as decided by all of the stakeholders through the slow process of consensus building. From the standpoint of the time required, the limited attention to this model can be understood.

Section 15.15.6 Quality First

Only Alpha (the first pilot) in the current study was wholly volunteer. This mechanism was therefore assessed as being not applicable for implementation by the other organisations involved in this research.

Section 15.15.7 EFQM Excellence Model®

Most voluntary sector organisations do not have the time, money, or other resources required to devote to this rather expensive methodology of self-assessment. The awards process is lengthy and expensive.

As the cost of the external assessment is very high, it is unlikely that any small or medium size charity will begin to use the EFQM Excellence Model ® in full. However, the implementation of the concepts is not unreasonable.

The two page explanation of how the EFQM Excellence Model ® can be used by the public sector and voluntary sector were written by contributors who were public sector entities and did not address the unique and special issues of the voluntary sector. See Chapter two and previous sections of Chapter 15 for a discussion of the characteristics of the voluntary sector.

Section 15.15.8 CharterMark

None of the organisations expressed any knowledge of CharterMark nor any inclination to implement it. The organisations had no knowledge that any organisation that was 10% or more funded by the government was eligible to pursue CharterMark. This aspect of this framework was not self evident nor advertised. Reading the brochures and attending the relaunch resulted in determining the eligibility of voluntary sector organisations. The impression given is that CharterMark is a quality framework for the public sector. The organisations' responses to the questionnaires reflected no knowledge of this framework's existence. Also CharterMark was not the focus of this research effort. Thus the framework was not pursued.

Section 15.15.9 SQMS

Being exclusively for training organisations in Scotland, SQMS has limited recognition in other parts of the United Kingdom.

A second training organisation that was also involved in the research (Beta training) was considering using SQMS during the time period of the research, but never outwardly pursued the option. Also as the research ended SQMS as an organisation was closing.

Section 15.16 Correlations

As mentioned in Section 13.5, some of the questions included in the supplemental questionnaire had a high correlation to each other. For example, as highlighted in bold in Appendix E, the question on being supported has a relationship to knowing the background of the member of staff (.713). In addition, there is a correlation between feeling supported and perceiving that the organisation knows the person (.784). A related, even stronger set is the comparison of perceiving that the organisation knows the persons to the feeling that the organisation knows the background of the member of staff (.877). The correlation between feeling supported and perceiving that a teamwork approach is utilised is also strong (.733). The interrelationships between the concepts of good quality being provided to continuous improvement occurring (.846), continuous improvement occurring to feeling supported (.635), and feeling supported to good quality being provided (.779) are also strong. The strongest correlation (.914) was recorded between the concepts of knowing the role and knowing the job and its duties. These correlations illustrate the existence of relationships (links) between these concepts but not a causal direction. Taken together with the results discussed in Chapter 13 concerning characteristics displayed by organisations that are ready to pursue strategic planning models, insights come into focus to be observed concerning the implementation of strategic planning models and tools. Contemplating all of these factors leads to a need for a way to remember all of them and their relationships. The figure in Section 15.14 (pp 288/289) sums up the balancing of the aspects of the organisations and the relationship to Institutional Theory, especially the evocative pillar.

Section 15.17 Model of Relationships and Barriers

As mentioned earlier in this thesis (See Section 3.17) Diane Sales in addressing medical organisations distinguished between working *with* the patient, doing procedures *for* the patient, and doing procedures *to* the patient. Likert (1976, 1979 and 1981) labelled certain concepts that he observed as follows:

System 1	exploitive authoritative
System 2	benevolent authoritative
System 3	consultative, and
System 4	participative group

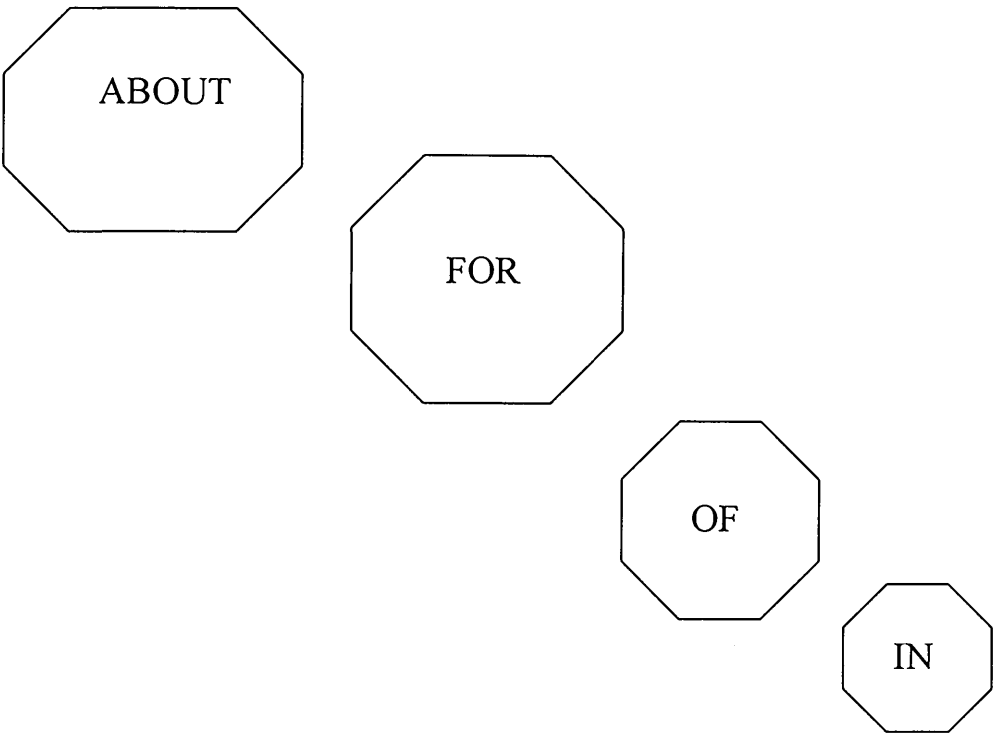
Likert's systems were designed to note the levels of performance in the private sector with the highest performance from System 4 type organisations. In a System 4 organisation consensus is used to produce constructive problem solving methods of decision making. The characteristics of a System 4 organisation include trust; open and honest communication with supervisors, subordinates and peers; participative goal setting; performance awareness throughout the organisation; clear leadership and mutual respect at all levels; training and development; and improvement occurring over time to show trends. (Likert, 1976)

In that same vein, the traditional, hierarchical, small scale charitable organisation in the voluntary sector could have Board of Directors who plan strategically *about* the organisation. The leaders plan tactically to implement this strategic plan *for* the organisation. Supervisors plan in an operational fashion and could be described as being *of* the organisation. Finally the worker who carries out the various tasks can be said to be *in* the organisation. This contrast can be summarised as:

When there are resources available, and the appropriate levels of power and authority coincide with the ways of thinking and approach, the organisation moves forward strategically. However when the levels are not synchronised or the resources are not available, the forward motion of the organisation stops.

This contrast and the representational sequence could be graphically presented as follows:

Figure 15.17 Model of Relationships



However, the voluntary sector may have volunteer workers on the Board of Directors. Moreover, the Board of Directors may look to an Executive Director for direction and leadership. Finally, the voluntary sector often has a relatively flat structure and the supervision may be by an Executive Director. As a result, the model would need to be modified to a superimposed series. The same person may be acting in one or more capacities (System 4).

Thus the difficulties when applying business models to the voluntary sector are:

- (1) Mismatches of levels of attitude and thinking of the organisation when compared to levels of power and authority within the organisation and
- (2) Confusion over meanings of Leadership versus Participative management.

The closer the organisation approaches a superimposed series, the closer the organisation comes to full participation in decision making and planning. This

extremely high level of communication, trust and mutual respect allows the organisation to strategically plan and overcome the barriers, presuming the resources are available to implement the plans. This ideal of the voluntary sector is not necessarily reality. The difference and the conflict are real. However the above discussion needs to be in the context of 'both-and' rather than 'either-or'. (Whitehead and McNiff, 2006). The voluntary sector is a mixture of its own ideas and conformity with the other sectors' requirements, as discussed early in this chapter.

Section 15.18 Limitations

The development of capacity of an organisation to monitor and evaluate its own performance using a framework is an abstract concept. "There may be a time delay between the time that a capacity-building intervention happens and the time when the organisation internalises that intervention and learns to perform effectively at a higher level." (Wing, 2004, p. 157) Measurements are hard to construct for outcomes - rather than for outputs. For example, the number of clients using a service can be measured. That is an output. The degree of wellness maintained by the availability of the service over a time period is more difficult to assess, but more significant in its impact as an outcome. In addition measurements may be taken too soon. The voluntary sector, by its very nature as a nonconformist, takes longer to assimilate concepts from the public and private sectors. Therefore the degree of change observed in a particular timeframe may be misleadingly small when compared to the degree of change which occurred in the process of the change being internalised.

Wing (2004) also provides an example of an initial difficulty that manifested itself, and resulted in a consultant investigating the situation, which did not reflect the deeper root cause that needed to be addressed. Since this research needed to restrict itself to an initial period of change; deeper, root causes that surface during the research should be pursued utilising further studies of the effects of change. One avenue for further discussion and research would be the application of Kissane (2006) on acquisition of knowledge and views to the

acquisition of views and of knowledge of quality models in the voluntary sector's small organisations. It must be noted however that such further studies may well be in a different context and, most certainly, at a different time in the economic cycle of a small scale charitable organisation in the voluntary sector.

Section 15.19 Summary

In this chapter the results have been discussed in themes of implementation of planning, risk management, conformity, attributes and perceptions, survival barrier, communications barrier, compliance barrier, financial management, timescales for implementation, leadership, correlations, model of relationships and limitations. In addition, the issues of policy implications, and the relationship to funders are discussed. These discussions led to conclusions that form Chapter 16. Also included in Chapter 16 are areas for further research.

Chapter 16 Conclusions and Areas for Further Research

In this chapter the conclusions of the discussion chapter are reiterated. In addition, the areas for further research are explored.

Section 16.1 Survival

Stone (1989) suggested that under Institutional Theory “conformity increases ... the chances of success and survival (Meyer and Rowan, 1977; Scott, 1983; Scott, 1995)” [of organisations in the voluntary sector]. This research reinforces that finding in regard to small scale charitable organisations in the voluntary sector that are attempting to conform to the requirements of funders in order to survive. In all of the organisations the planning and reporting conform to the requirements set by the funders, the financial industry, and expectations of the staff to follow general office procedures.

However the research also confirms the barriers to adoption of strategic planning tools and techniques exist in particular small scale charitable organisations in the voluntary sector. The main barrier is that these organisations are too busy surviving to adopt strategic planning tools and techniques unless, and until, the funders make it in the best interest of the organisations to do so. As the one organisation pointed out, meeting the standard does look good on their letterhead and the organisation will be able to access additional funding after obtaining it.

The time resource is finite and limited. Not enough time exists to cover all aspects of the organisation, perform the main activities of the organisation, and plan for a new initiative such as strategic planning at the same time.

In addition to the survival barrier, small scale charitable organisations in the voluntary sector need to overcome communications, compliance and other issues highlighted in the findings before strategic planning can effectively be implemented. The roles and responsibilities need to be understood and the structure and systems put in place to facilitate communications, compliance, and planning. The differences of the voluntary sector are basic to understanding its

planning methods. In addition, the consensual, participative style of leadership and management is integrative to the planning style adopted, as adapted.

Also important to the survival of the organisation is the leadership. The findings of this research effort confirm the observation by Schlosberg in an article by Taliento and Silverman (2005) that “in the nonprofit sector there’s much more reliance on the leader, and less developed teams and talent underneath.” As shown in the findings, systems exist in the organisations. However, as also shown in the findings, the extent of the systems and the reliance on the systems is limited compared to the reliance upon the leadership.

One way that the organisation increases their ability to survive is through a professional attitude. Further, the evidence and discussion reflects that the manner in which an accounting is presented and the extent of the reporting are contingent on the requirements of the funder. The funders requirements are met since the implied conclusion would be that if the requirements are not met, funding will not be successfully competed for and funding obtained will be withdrawn.

As discussed in Section 15.12 there is an imperative for a professional attitude and boundaries. This aspect of the organisation forms a tension with the participative, stakeholder style of decision making indicative of the small scale voluntary sector organisation.

Section 16.2 Financial management

The research also shows that financial management arrangements of small scale charitable organisations in the voluntary sector are related to the funding and to the degree of planning undertaken.

Section 16.3 Funders and Models

As discussed in Section 15.12, funders have intimated that use of models, tools, and standards will be encouraged. Further, as described in Chapter 1, funders

such as the City of Edinburgh Council have made it clear that they are using standards and models. The funders clearly expect the organisations to use models and frameworks. However the funders have not guided the choice among the many tools, models and standards available. Moreover guidance from one funder may not necessarily be indicative of what is acceptable by another funder of the organisation. For example, Gamma receives funding from the City of Edinburgh Council. However Gamma also receives funding from Lloyds TSB Foundation.

As discussed in Section 15.13, an analysis of the extent to which organisations resemble the source of funding not only reflects the degree to which Institutional Theory can be used to describe the acquisition and institutionalisation of policies and procedures of those organisations, but also the extent that the organisations are using models and tools.

Section 16.4 Application of Strategic Planning and Models to Small Voluntary Sector Organisations

A neutral non-prescriptive model that asks the right questions would be between the masculine, aggressive for profit sector and the more feminine, networking voluntary sector. The difference is not in the model, but in the way it is interpreted and implemented. This premise could be useful in disseminating quality models with less resistance from the organisations and from the umbrella agencies. That is to say that the use of The EFQM Excellence Model ® instead of The Big Picture or PQASSO or SQMS is appropriate if sensitively introduced for use in their own way, preserving their way, their institutions, and their independence.

The organisations and individuals in the voluntary sector instinctively shy away from prescriptive models that would tend to emphasise masculine characteristics of aggression. This reflects a natural attraction to models modified to reflect their sensitivities and respectfulness of the clientele. It also reflects their natural aversion to dehumanising behaviours.

Further the influences of the organisations from environment and the perceptions of those influences cause the isomorphic behaviour of attempting to use quality models and tools. The difficulties are: capacity to cope with the financials required and the decision making, the governance and vision to see into the future, the influences and occurrences from the environment, the perception of the model as being from business (aggressive, competitive, 'masculine') and therefore not applicable, the aptitude and attitude of the staff and of the management, and most importantly the balancing of all of the above. As expressed by one respondent, "we need to apply business principles without losing our ethos or ethics". This conclusion partially fills the gap identified in Section 2.2 on page 13 of understanding the complexity and accountability of the small voluntary sector organisation.

The insight that the influences on the organisations from the environment and the perceptions of those influences cause the isomorphic behaviour of attempting to use quality models and tools is new and original with this research. Previous research has not pinpointed a reason or explanation for the way the *small* voluntary organisation reacts to the external influences which encourage the use of quality models.

Leadership is key to comprehending the epistemology of the members of staff of the organisations. The leader interprets the capacity of the organisation and its ability to manipulate and implement the chosen model. The model chosen has to reflect the degree of professionalism, teamwork, and staff development already in place. The leader knows their capacity for learning and developing further. If the organisation is perceived as strong (well led), it can implement life their way. It doesn't mean that the people of the organisations aren't feminine. It means they have a will of their own and do things their way.

Section 16.5 Applicability of Institutional Theory

The independence of the voluntary sector organisation and its tendency to make a passionate commitment to values form a tension with the recognised tendency of an organisation to resemble the funding source. The independent, passionate aspects of the people of the organisation reflect the evocative pillar of the Institutional Theory as described by Parsons (1951), while the mimetic, normative, cognitive and regulative pillars of the Institutional Theory framework described by others such as Scott (1995) and DiMaggio and Powell (1991 and 1983) reflect the processes by which the organisations acquire systems, standards, processes and procedures. This resultant tension reflects the nature of the small scale voluntary sector organisation. The processes and analysis methods of the business world are available to be acquired²⁴ through processes such as those described by the Institutional Theory framework. However the organisations wish to ensure that the passionate commitment to values and mission are not affected by processes acquired or by the methods used to acquire those processes. Although Institutional Theory is not a perfect fit, one of the persons involved in the research recently stated that what their organisation has to do is adopt "business principles without losing [their] ethos and ethics".

Section 16.6 Timescales for implementation

Overall all six of these small scale charitable organisations in the voluntary sector, although interested in the EFQM Excellence Model ® at the management level on an intellectual level, were not successful in implementing the EFQM Excellence Model ® over the timeframe of this research. However, as previously noted in Section 15.18 (Wing, 2004), the research period may be too short and the measurements taken too early. After the period of the research, a Director has requested an introduction to the members of the staff to the EFQM Excellence Model ®. The Director of that same organisation has stated that

²⁴ Tom Hughes-Hallett, Chief Executive Officer of Marie Curie Cancer Care in an ACCA Scotland Autumn Business Lecture 2005 presented November 24, 2005 in Edinburgh.

attainment of Investors in People was a first step toward implementing the EFQM Excellence Model ®.

Section 16.7 Areas for Further Research

As previously cited, Kramer (1987:253) concluded “we have little information about the ...impact...on the quality, quantity, and effects on the clientele of a social service program....” This gap has not been filled in the intervening years nor is it filled by this research project. The area covered by this research would be in addition to the longitudinal studies on impact on clientele directly suggested by Kramer.

The governance and accountability of small voluntary sector organisations is currently under study.²⁵

In Section 13.4.2 it was noted that a relatively high portion of staff in both groups of organisations in this research somewhat agreed that the procedures were incomplete. Research into possible reasons for this attitude would be beneficial.

A continuing study of the same organisations covered by this research to determine the timescale required for implementation of a strategic planning framework could be undertaken, as well as a study to confirm that the findings reached by this research are applicable to the small scale charitable organisations in the voluntary sector as a whole.

As noted in Section 13.3.6, the benefits of additional training may have a time delay between the training and the financial benefits as measured through such efficiency methods as the amount spent per beneficiary per period of time for the

²⁵ Lorna Stevenson, CA and colleagues at Dundee University are undertaking this study with funding assistance from Institute of Chartered Accountants of Scotland (ICAS)

care or service or the ratio of staff to beneficiaries required to attain the same level of care or service. Again, either a continuing study of the organisations and/or a wider investigation into the relationships between training, self esteem, and efficiency to determine the time delay and the use of this technique as a stepping stone to strategic planning would be beneficial.

As noted in Section 13.4.2, there is a relatively high portion of staff in both the active and the passive organisations who somewhat agree that the procedures are incomplete. The evidence is unclear as to the reasons for this opinion. Possible reasons for this attitude were not explored in this research. A further study to identify the extent of, and the reasons for, this opinion concerning the policies and procedures of the organisations would be beneficial.

As noted in Section 13.4.7 concerning the interrelationship of knowing the role, knowing the job and duties, being left alone to perform the job, and clear expectations; this area requires further research to determine the causal and directional relationships of these attitudes.

One aid to such suggested studies is in the process of being created. A database known as Guidestar UK is being formed in the same manner as GuideStar was created in the USA. The American database utilises a tax filing known as a Form 990 which is required of all American charitable organisations annually which have income and/or expense of \$25,000 or more. The British database website states that the site will open with data from the Charity Commission in 2005 and will eventually expand to include data from the Office of Scottish Charity Regulator. (Guide Star, 2005)

Section 16.8 Final Comments

Intriguingly much has been observed and recognised in the organisations during the process of the research. The analytical tool of Institutional Theory has provided a framework to gaining insights into the processes used to acquire policies and procedures. Although the evidence collected provides indicators of

incorporating changes and management of change at the organisations involved in the research, much more research is required to fully develop our understanding of the important portion of the economy known as the voluntary sector, especially the small-scale voluntary sector organisation.

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Appendix A Semi Structured Interview Questions

Questions for Semi - Structured Interviews

Name: _____

Organisation: _____

Date: _____

1. How would you briefly describe the structure of your organisation?
2. What can you tell me about how your particular part of the organisation is governed?
3. What is your general understanding of quality frameworks, especially the ones you use or know about?
4. Does your organisation use any particular quality frameworks? Yes____ No

[These would be named such Balanced Scorecard, SQMS, Investors in People,
EFQM Excellence Model ®, PQASSO, The Big Picture, First Quality, or others]

5. If you do use quality frameworks, please list which one(s) you use.

6. Do you know why you use that/those particular ones and not others?
7. Are there any constraints in the use of that/those quality frameworks? E.g.
Cost, time, trained personnel, assistance in implementation
8. How and when is risk assessed?
[Risk assessment is the considering of various areas of possible liabilities such as
Constitution, Health and Safety, Employment, Finance, etc.]
9. What does your organisation do about risks once they are identified?
10. How about the leadership of your organisation?
11. What policies and procedures do you have? How are they working?
12. How and when are new policies and procedures formulated?
13. How are policies and procedures (both old and new) communicated to
members of the organisation?
14. How are other bits of information communicated – both directions?
15. Where does your funding come from? Is it a mix of sources? In addition,
who gives you things or gives you free assistance? What else do you receive
that would not appear on financial statements?
16. May I have a copy of your accounts?
17. The people that work in your organisation may be volunteers or paid staff or
both.
How many of these people are there? How happy, frustrated, inspired are
they?

How do you know?

18. What is the sphere of activity in which your organisation is active?
19. How does your organisation pursue this activity? What processes and procedures are followed?
20. How do you know how your stakeholders feel about the services and their part in your activities?
Which stakeholders do you measure? And how?
E.g. staff, members, users, carers
21. How and when does your organisation plan ahead? And how often?
22. How far ahead does your organisation plan?
23. How does your organisation decide on its objectives for the next year?
How will your organisation know if the objectives are met?
24. Is continuous improvement one of your organisation's objectives?
25. How is the improvement that has occurred measured?



Appendix B Questionnaire

Private and Confidential

School of Management

The University of Edinburgh

Quality Issues in Participant Organisations

The purpose of this questionnaire/Survey is to determine a benchmark and the progress

of organisations in the acquisition and use of the EFQM Excellence Model

Questionnaire No. _____ Organisation letter _____

Please note: Numbers and letters for the questionnaires are solely to count the number of questionnaires mailed and the number returned from each organisation.

1. Does your organisation have a mission statement? Yes _____ No _____

[This would be a statement of who and what you are and what you are about.
What is the point of the organisation?]

2. If the answer to question 1 is yes, what does it briefly say?

3. Does your organisations have aims? Yes _____ No _____

[These would be the large goals, targets, or objectives that you're your organisation aims to achieve.]

4. If the answer to number 3 is yes, what are they?

5. Does your organisation have specific, measurable objectives? Yes_____ No

6. Did you achieve those objectives this past year and if so, how many?
Most of them_____ Some of them _____ Few of them _____
None of them _____

7. Briefly, what are the key-results that you look for?

8. How are those key-results measured or monitored? What methods are used?

9. How does your organisation measure success?

10. How successful is the organisation? Unsuccessful _____ Not very
Successful _____
OK _____ Successful _____ Struggling Along _____ Very Successful

11. In those areas where your organisation is successful, why is it successful?

12. What financial system do you use?

13. Are you satisfied with the financial system?

Yes _____

No _____

14. Why are you satisfied/unsatisfied?

15. Where does your funding come from? And what type of funding is it? (e.g. grant, contract, collections)

Source

Type

16. Who sets the policies for your organisation?

17. Do stakeholders (such as staff, members, and funders) contribute to the discussion of policies? Yes _____

Yes _____

No

18. Which stakeholders contribute to the formation of or discussion concerning policies?

Staff _____ Volunteer _____ Member _____

Trustee or Board Member _____ Carer _____

Other _____ Please identify. _____

Please check all that apply.

19. Does the organisation have planning and strategy meetings? Yes _____ No _____

20. How often are planning and strategy meetings held?

21. How often are they supposed to be/ should they be held?

22. Who are involved in planning and strategy meetings?

23. What quality standards have you attained or are working toward? _____

(e.g. SQMS, Investors in People, ISO9000, Social Audit, QUARTZ, Achieving Excellence)

24. Which of the following quality frameworks have you heard of?

The Big Picture _____ PQASSO _____ EFQM Excellence Model _____

Balanced Scorecard _____ Alzheimer Scotland _____

Quality First _____ Other (Please name) _____

25. Which quality frameworks are you using?

The Big Picture _____ PQASSO _____ EFQM Excellence
Model _____

Balanced Scorecard _____ Alzheimer Scotland _____

Quality First _____ Other (Please name)

26. Does your organisation have a Code of Conduct? Yes _____

No _____

27. Does your organisation have a Code of Ethics? Yes _____ No _____

28. Does your organisation have a Complaints System? Yes _____ No

29. Are there procedures in place in each of those areas?

Conduct	Yes _____	No _____
Ethics	Yes _____	No _____
Complaints?	Yes _____	No _____

30. Are you: Staff _____ Volunteer _____ Member _____

Trustee or Board Member _____ Carer _____

Other _____ Please identify. _____

Please check all that apply.

Using a scale of 1 to 5 please mark your level of satisfaction. 1 = very satisfied, 2 = satisfied, 3= neutral, 4 = dissatisfied, and 5 = very dissatisfied.

	1	2	3	4	5
31. Overall, how satisfied are you at your organisation?					
32. How satisfied are you with policy?					
33. How satisfied are you with procedures?					
34. How satisfied are you with the process of planning?					
35. How satisfied are you with the quality of service					
Provided to users/members?					
Received by the organisation from others?					
Available?					

Thank you for your assistance with this survey/questionnaire. I really appreciate your co-operation and participation in my research.

Florence Grant
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School of Management

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Appendix C Supplemental Questionnaire



Private and Confidential
School of Management
University of Edinburgh
December 2003

Supplemental Questionnaire Staff and Management

The purpose of this questionnaire is to determine the management, director/project leader, and staff's opinions, perceptions and feelings. This questionnaire is a continuation of the research begun last year.

Questionnaire number _____ Organisation letter _____

Note: the number and letter are solely to count the number of questionnaires submitted and the number returned.

- 1) Are you: Staff _____ Volunteer _____ Member _____ Trainee _____
Trustee or Board Member/Executive Committee member _____ Carer _____
Director/Project leader _____ Other _____ Please identify _____
Please check all that apply.

Using a scale of 1 to 7 please mark your level of agreement with the following statements.

1 = very much agree, 2 = fairly agree, 3 = somewhat agree, 4 = neither agree nor disagree,
5 = somewhat disagree, 6 = fairly disagree, and 7 = very much disagree

- 2) Overall, I am satisfied with the organisation. 1-----2-----3-----4-----5-----
6-----7
- 3) The organisation's policies are fair. 1-----2-----3-----4-----5-----
6-----7
- 4) The organisation does not stay up to date on law. 1-----2-----3-----4-----5-----
6-----7
- 5) The organisation's policies are complete. 1-----2-----3-----4-----5-----6-----7
- 6) The organisation's runs smoothly. 1-----2-----3-----4-----5-----6-----7
- 7) Changes have been made in the last year. 1-----2-----3-----4-----5-----6-----7
- 8) I disagree with the some of the changes made. 1-----2-----3-----4-----5-----
6-----7
- 9) The organisation does its best to stay up with 1-----2-----3-----4-----5-----

6-----7

changes in the laws.

10) The implementation of policy is uneven.

1-----2-----3-----4-----5-----6-----7

11) The service provided is of good quality.

1-----2-----3-----4-----5-----6-----7

12) The service is not improving.

1-----2-----3-----4-----5-----6-----7

13)I can tell planning is taking place.

1-----2-----3-----4-----5-----6-----7

14)I can tell improvements are being made.

1-----2-----3-----4-----5-----6-----7

15)I know who gives the organisation money.

1-----2-----3-----4-----5-----

6-----7

16)I know how the organisation spends the money. 1-----2-----3-----4-----5-----6-----7

17)I can read the annual reporting.

1-----2-----3-----4-----5-----6-----7

18)No one explains the financial report.

1-----2-----3-----4-----5-----

6-----7

19)The financial information is hard to understand. 1-----2-----3-----4-----5-----6-----7

20)I agree with the values of the organisation.

1-----2-----3-----4-----5-----

6-----7

21)I am happy to be a part of the team.

1-----2-----3-----4-----5-----

6-----7

22)Of the following factors, please identify the five most important in the organisation in your opinion in deciding the planning for the future. Please mark the one you consider most important as 1. Please mark the one you consider the next important as 2. And so on.

commitment _____

leadership_____

values _____

democratic process_____

governance _____

participative process_____

planning process_____

strategic thinking_____

planning cycle _____

strategic implementation_____

trust_____

ethics_____

confidence_____

user/trainee/member focus_____

time of the management team_____

systems_____

time of the Board/Executive_____

policies_____

attitude to the beneficiaries_____

communications _____

common objectives_____

integrity_____

ability to measure 'success'_____

co-operation_____

lack of money_____

capability_____

lack of other resources_____

credibility_____

energy_____

experience_____

respect_____

understanding_____

focus_____

awareness_____

motivation_____

23) Of the above factors, please indicate the five that are in the most need of improvement.

Please mark them as A – In most need, B – Almost in as much need of improvement. C – Next

commitment _____

values _____

governance _____

planning process _____

planning cycle _____

trust _____

confidence _____

time of the management team _____

time of the Board/Executive _____

attitude to the beneficiaries _____

common objectives _____

ability to measure 'success' _____

lack of money _____

lack of other resources _____

energy _____

respect _____

experience _____

motivation _____

understanding _____

leadership _____

democratic process _____

participative process _____

strategic thinking _____

strategic implementation _____

ethics _____

user/trainee/member focus _____

systems _____

policies _____

communications _____

integrity _____

co-operation _____

capability _____

credibility _____

awareness _____

focus _____

23) Of the above factors, please indicate the five that are in the most need of improvement.

Please mark them as A – In most need, B – Almost in as much need of improvement. C – Next

PLEASE GO TO THE NEXT PAGE

Using a scale of 1 to 7 please mark your level of agreement with the following statements.

1 = very much agree, 2 = fairly agree, 3 = somewhat agree, 4 = neither agree nor disagree,

5 = somewhat disagree, 6 = fairly disagree, and 7 = very much disagree

24) Organisational policies could be implemented better. 1-----2-----3-----4-----5-----6-----7

25) Grievance procedures are clear. 1-----2-----3-----4-----5-----6-----7

26) I am not sure I understand the grievance procedure. 1-----2-----3-----4-----5-----6-----7

27) I understand my job. 1-----2-----3-----4-----5-----6-----7

28) I know what is expected. 1-----2-----3-----4-----5-----6-----7

29) Something is always changing. 1-----2-----3-----4-----5-----6-----7

30) Our organisation knows why it exists 1-----2-----3-----4-----5-----6-----7

31) Our organisation understands its role. 1-----2-----3-----4-----5-----6-----7

32) I am unclear of my role. 1-----2-----3-----4-----5-----6-----7

33) There is a lot of paperwork. 1-----2-----3-----4-----5-----6-----7

34) There is too much paperwork and forms. 1-----2-----3-----4-----5-----6-----7

35) Management committee/Board understand me. 1-----2-----3-----4-----5-----6-----7

36) Management/Board's plans are unclear 1-----2-----3-----4-----5-----6-----7

- 37)The organisation has leaders. 1-----2-----3-----4-----5-----
--6-----7
- 38)My evaluation/appraisal is fair. 1-----2-----3-----4-----5-----6-----
--7
- 39)My personal background is understood.1-----2-----3-----4-----5-----6-----
-----7
- 40)I am not understood. 1-----2-----3-----4-----5-----
--6-----7
- 41)I am happy to be with the organisation. 1-----2-----3-----4-----5-----6-----
-----7
- 41)Our service is the best of its kind. 1-----2-----3-----4-----5-----
--6-----7
- 42)There are no other services available. 1-----2-----3-----4-----5-----
--6-----7
- 43)Our service is better. 1-----2-----3-----4-----5-----6-----
--7
- 44)The service could be better. 1-----2-----3-----4-----5-----
--6-----7
- 45)Training is of a high standard. 1-----2-----3-----4-----5-----6-----
--7
- 46)Training is continuous. 1-----2-----3-----4-----5-----6-----
--7
- 47)I am not asked about training. 1-----2-----3-----4-----5-----6-----
--7
- 48)Our communication is clear. 1-----2-----3-----4-----5-----
--6-----7
- 49)Communication is two way. 1-----2-----3-----4-----5-----
--6-----7
- 50)People stay with the organisation a long time.1-----2-----3-----4-----5-----
-----6-----7

Is there anything else that you think I need to know?

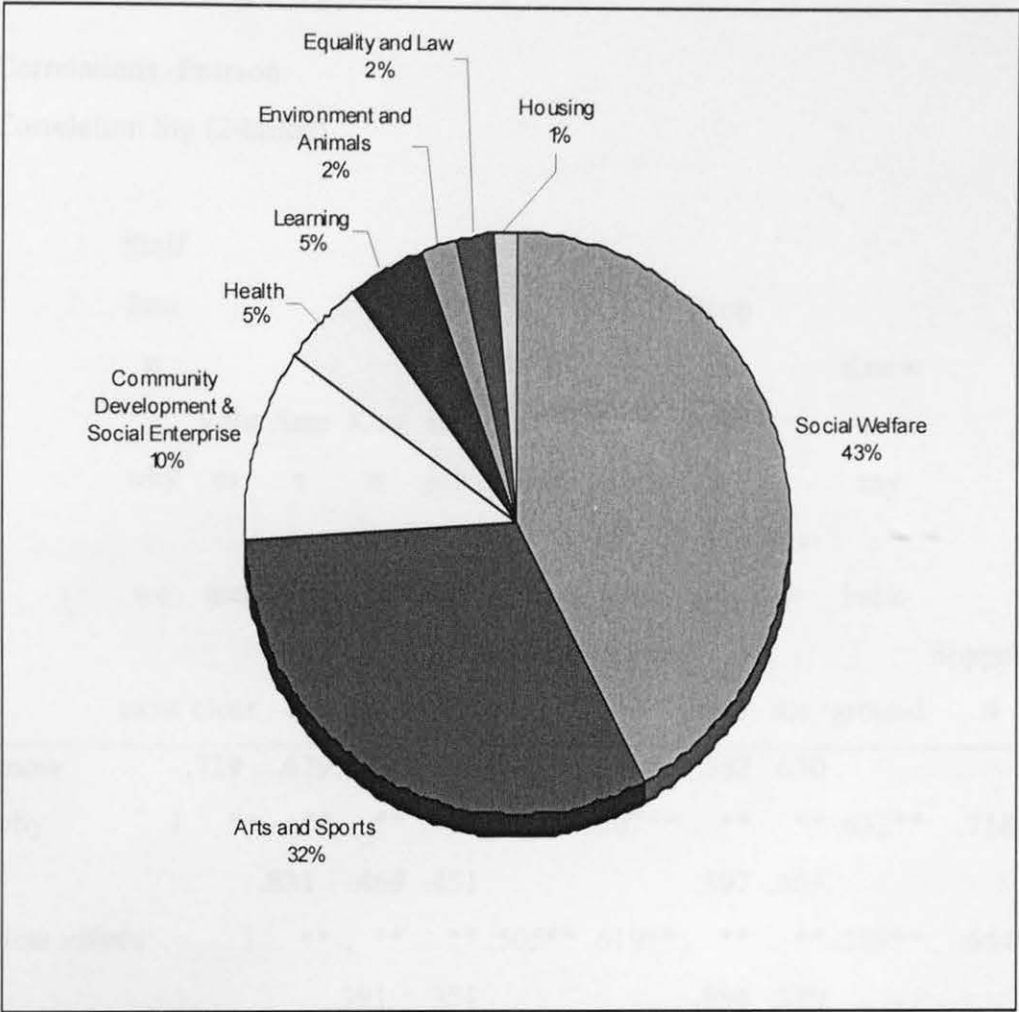
Is there anything I have not asked about that you think that I should have?

Is there anything you wish to add to any of the 50 questions above?

Thank you again for your assistance in answering these questionnaires. I really appreciate your help. I know they took some time and effort to complete. Please return the completed questionnaire in the stamped addressed envelope.

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Appendix D SCVO Chart of Voluntary Sector in Scotland, February 2004



Appendix E Correlation Charts

Correlations -Pearson

Correlation Sig (2-tailed)

Staff												
kno				Kno			Peop					
w				w			le		Know			
Valu	Sam	Kno	my				stay					
why	es	e	w	job	clear	Team-	a		my			
		as						Kno				
we	are	my	my	and	what is	work	long	w	back-			
		valu		dutie	expect	approa				Supporte		
exist	clear	es	role	s	ed	ch	time	me	ground	d		
know	.729	.679	.524	.511			.562	.630				
why	1	**	**	**	**	.487**	.507**	**	**	.632**	.718**	
		.831	.469	.451			.597	.565				
clear values	1	**	**	**	.505**	.619**	**	**	.589**	.644**		
			.391	.351			.596	.579				
same values		1	**	**	.451**	.521**	**	**	.595**	.597**		
know			.914				.445	.551				
role			1	**	.717**	.609**	**	**	.503**	.602**		
know							.340	.519				
job				1	.682**	.508**	**	**	.470**	.530**		
							.622	.583				
clear					1	.643**	**	**	.506**	.540**		

teamwor			.628	.605	
k	1	**	**	.522**	.733**
				.577	
stay long	1	**	.582**	.602**	
know me			1	.877**	.784**
know back				1	.713**
supporte					
d					1

**Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Correlations -Pearson Correlation
Sig (2-tailed)

	Good Continuous Improvement						
	Training well	Don't need know	ask re: training	Role or position	Can talk to or supervises	Quality of Services Provided	enters occurs
know why clear	.260*	-.412**	-.243	-.003	.509**	.685**	.547**
values same	.295*	-.433**	-.306*	-.182	.348**	.612**	.525**
values	.296*	-.344**	-.180	-.201	.390**	.684**	.634**
know role	.321*	-.415**	-.306*	.126	.524**	.535**	.444**

know job	.240	-.314*	.200	.081	.521**	.497**	.400**
clear	.231	-.317*	-.200	.002	.481**	.555**	.548**
teamwork	.399**	-.449**	-.326**	.131	.556**	.686**	.615**
stay long	.297*	-.251*	-.101	-.144	.262*	.619**	.657**
know me	.458**	-.577**	-.440**	.067	.538**	.661**	.550**
know back	.364**	-.549**	-.389**	-.015	.524**	.681**	.606**
supported	.464**	-.653**	-.390**	.063	.670**	.779**	.635**

**Correlation is significant at the 0.01 level
(2-tailed).

* Correlation is significant at the 0.05 level
(2-tailed).

Correlations -Pearson Correlation Sig
(2-tailed)

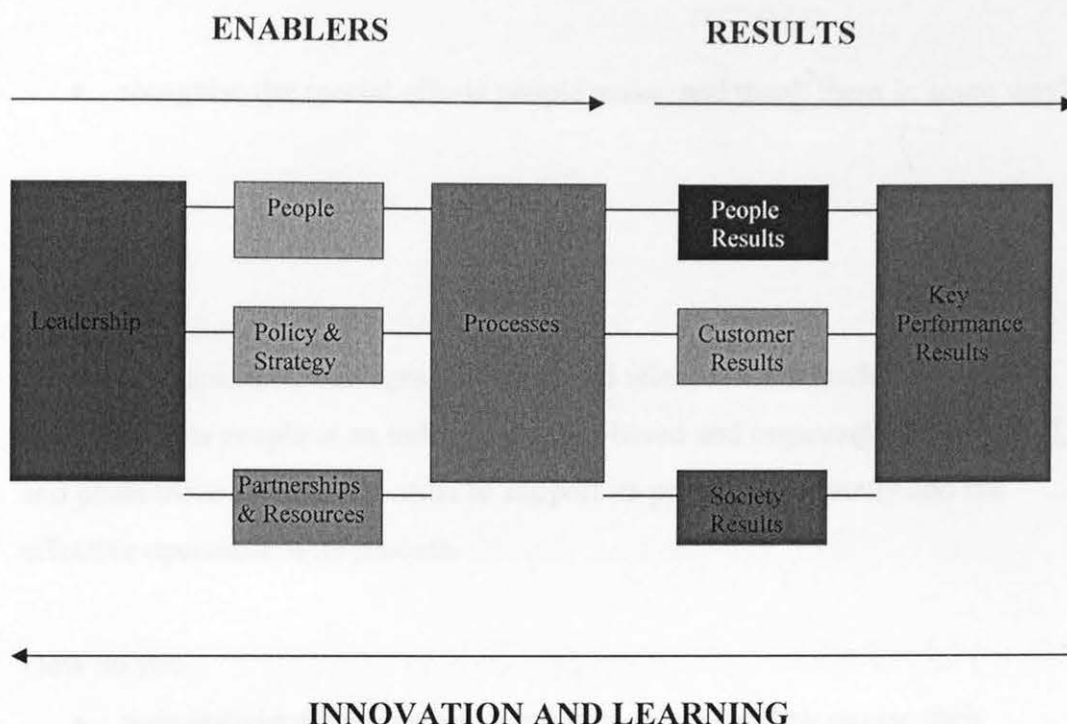
		Training Trai n needs unknow well	Don't ask re: training	Role or positio n	Can talk to supervis or	Good Quality Services Provided	Continuou s Improvem ent occurs
Train well	1	-.587**	-.612**	.460**	.344**	.230	.188
Needs unknown		1	.860**	-.217	-.513**	-.456**	-.364**
				-			
Don't ask			1	.357**	-.407**	-.175	-.075
Role or position				1	.332*	-.161	-.239
Can talk to					1	.534**	.418**
Good quality						1	.846**
Continuously improve							1

**Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

The three charts above were adapted from one large chart created as output from the SPSS13 programme.

Appendix F EFQM Excellence Model ® Diagram and excerpts of Brochure



© 1999 EFQM The Model is a registered trademark of the EFQM

Leadership

How leaders develop and facilitate the achievement of the mission and vision, develop values for long term success and implement these via appropriate actions and behaviours, and are personally involved in ensuring that the organisation's management system is developed and implemented.

How do you

- ensure that the way the business is managed achieves your plans?
- encourage your people to participate fully by allowing them to spend appropriate time improving the way they work?

- work with your customers, suppliers and other partners to improve the way things are done?
- recognise the special efforts people make, and thank them in some way?

People

How the organisation manages, develops and releases the knowledge and full potential of its people at an individual, team-based and organisation-wide level, and plans these activities in order to support its policy and strategy and the effective operation of its process.

How do you

- train individuals to perform a number of roles and recognise their knowledge and abilities?
- ensure that people understand how their job benefits the business and which of their tasks have priority?
- recognise people who have become involved in improving the business?
- communicate directly (both ways) between all levels of management and staff to the benefits of the business?

People is defined as all the individuals employed by the organisation including part time, temporary, voluntary and contract employees

Policy and Strategy

How the organisation implements its mission and vision via a clear stakeholder focused strategy, supported by relevant policies, plans, objectives, targets and processes.

How do you

- use the planning process, however simple, as a source of learning over time?
- ensure that your plans are based on information from your stakeholders?
- ensure that your plans are effective and improve the way you plan?
- make sure that everyone in the organisation 'buys into' what you are trying to achieve?
- identify your key business processes and ensure they are reflected in your targets and results?

Partnerships and Resources

How the organisation plans and manages its external partnerships and internal resources in order to support its policy and strategy and the effective operation of its processes.

How do you

- collect data in order to understand how sound your cash management and investment decisions are?

- make sure that your sources of information and knowledge are accurate and up to date?
- recognise the importance of your suppliers and other partners?
- keep in touch with new technological developments that might benefit your business?
- ensure that you comply with all legal requirements regarding data and software?

Internal resources include financial resources, buildings, equipment and materials, technology and information and knowledge. External partners can include suppliers, distributors, joint ventures and alliances. Note: *suppliers may not always be recognised as formal partners.*

Processes

How the organisation designs, manages and improves its processes in order to support its policy and strategy and fully satisfy, and generate increasing value for, its customers and other stakeholders.

How do you

- define your key processes so that they are understood by all - perhaps using flowcharts or diagrams?
- encourage everyone to work on improving processes?
- design and deliver your products and services?

- plan to introduce change to the processes and monitor the effect of these changes?
- manage and enhance customer relations?

A process is a sequence of steps which adds value by producing required outputs from a variety of inputs.

People Results

What the organisation is achieving in relation to its people.

Have you

- asked your people if they enjoy working for your organisation?
- seen a high level of loyalty in your people?
- noticed improving trends in productivity, absence levels and staff turnover?
- observed that people are very willing to become involved in trying to improve the business?

People is defined as all the individuals employed by the organisation including part time, temporary, voluntary and contract employees.

Customer Results

What the organisation is achieving in relation to its external customers.

Have you

- asked your customers which aspects of your products or services are most important to them and set target satisfaction levels?
- asked your customers for direct feedback?
- measured the trends in your customer satisfaction and loyalty levels over time?
- received letters of commendation from your customers?
- compared your performance to that of your competitors?

In addition to the immediate customers of the organisation, external customers may also include other customers in the chain of distribution.

Society Results

What the organisation is achieving in relation to local, national and international society as appropriate.

Have you

- asked the local community how much you impact on them and how they perceive your business?
- approached your business conduct ethically?
- made sure that your people are openly positive about working for your company?
- received positive press coverage?
- supported your people in their involvement with the local community?

The needs and expectations of a community will include perceptions of an organisation's approach to quality of life, the environment, the preservation of global resources and relationships with authorities and bodies that regulate and affect the business environment.

Key Performance Results

What the organisation is achieving in relation to its planned performance.

Have you

- a set of key measures which help you understand the performance of your business, such as market share, gross margins, meeting of budgets and success rates?
- a set of financial measures and targets which you monitor and use?
- made sure that the indicators you use will give you early warning of the business going off target?
- compare your performance to that of your competitors?

Key performance results refer to both the financial and non-financial performance of an organisation.

British Quality Foundation, 2001

Appendix G Chartermark Excerpts

"Criterion 1

Set standards and perform well

You need to show that your organisation:

- sets clear service and performance standards by consulting customers;
- meets those standards;
- monitors and reviews performance against standards and publishes the results; and
- designs, puts into practice and monitors standards with as little unnecessary paperwork and administration as possible.

Sub-criterion 1.1

You set precise and measurable standards for the main elements of your service that reflect the needs, expectations and rights of your customers and the general public.

Evidence CharterMark is looking for

1.1.1 You set precise, measurable and challenging standards for your main services which take account of your responsibility for delivering national and statutory standards and targets, and deal with local priorities.

What counts as evidence?

You need to show you have set standards for your main business. You can include any internal documents or information for the public that includes your standards. Examples are legal requirements, Audit Commission standards, processing times, accuracy rates, product outputs and quality of care standards. Show how you make sure your standards reflect the needs, expectations and rights of people who use your service, including how you consult them. Show how each standard is contributing to your organisation's overall goals and how you avoid duplication or contradiction in your standards, for example, by

reviewing them and making changes where appropriate.

Evidence Charter Mark is looking for

1.1.2 You set precise, measurable and challenging standards for customer service and these measure quality as well as quantity.

What counts as evidence?

You need to show you have standards which clearly set out what people who use your service can expect. This means setting specific levels of performance and service, not just general aims and promises. Examples of evidence are:

- service standards, for example standards for how quickly you respond to phone calls, letters and personal callers;
- reliability and punctuality standards; and
- commitments and standards relating to how your staff serve customers.

Show how the achievement of each standard will contribute to your organisation's overall goals. Show how you avoid duplication or contradiction in your standards, for example, by reviewing them and making changes where appropriate.

Sub-criterion 1.2

Your standards actively influence your organisation and you perform well.

Evidence Charter Mark is looking for

1.2.1 You review and raise your standards regularly.

What counts as evidence?

Show how your past and present standards compare. Explain how you carry out reviews by involving customers, co-providers and staff. If there are good reasons why you have not been able to raise standards, please tell us.

Evidence Charter Mark is looking for

1.2.2 You monitor your performance against standards.

What counts as evidence?

Show how and how often you monitor your performance. Show how the responsibility of monitoring is reduced for front-line staff, and how you focus on monitoring high-risk and lower-performing areas. Include examples of the type of information you collect.

Evidence Charter Mark is looking for

1.2.3 You meet your standards, and this is confirmed independently.

What counts as evidence

Include information on your performance over the past three years. If you are a new organisation, please give as much past information as you can. Highlight any independent evaluation of your performance against your standards.

Evidence Charter Mark is looking for

1.2.4 Your organisation's performance compares well with others.

What counts as evidence

You need to show you perform well compared to other organisations in your field. Evidence may include information from the Audit Commission or information collected through benchmarking exercises. If there is no comparative information available for your organisation, tell us how you are trying to find similar organisations with which to compare your services. You may find the Public Sector Benchmarking Service at www.benchmarking.gov.uk a useful source of help and advice.

Sub-criterion 1.3

Your standards are relevant to the people who use your services, and your customers, potential customers, partners and staff know about the standards.

Evidence Charter Mark is looking for

1.3.1 You consult customers, potential customers, partners and staff to set and review your standards

What counts as evidence

You need to show that everyone concerned has a planned and regular input to your standards, to make sure they stay relevant. Show how you use the views of front-line staff to assess the costs and benefits of putting your standards into practice. Show us how you consult everyone involved. You can include as evidence details of customer consultations, who they include and how often you carry them out, as well as details of how your standards are linked to your performance-management system for staff.

Evidence Charter Mark is looking for

1.3.2 You tell your customers and potential customers about your standards.

What counts as evidence

Show the different ways you tell your customers about your standards.

Evidence Charter Mark is looking for

1.3.3 You make information on how you perform against all your standards widely available.

What counts as evidence

You can include as evidence information on your performance in leaflets, posters and press cuttings.

Evidence Charter Mark is looking for

1.3.4 Your standards are meaningful and relevant to all your customers, partners and key players.

What counts as evidence

Information on your standards must be easy to understand and written in plain language, including adapted versions for specific groups. You should explain whether customers have a right to each standard, or whether standards are targets you try to reach. Include any standards which involve partners and co-providers.

Evidence Charter Mark is looking for

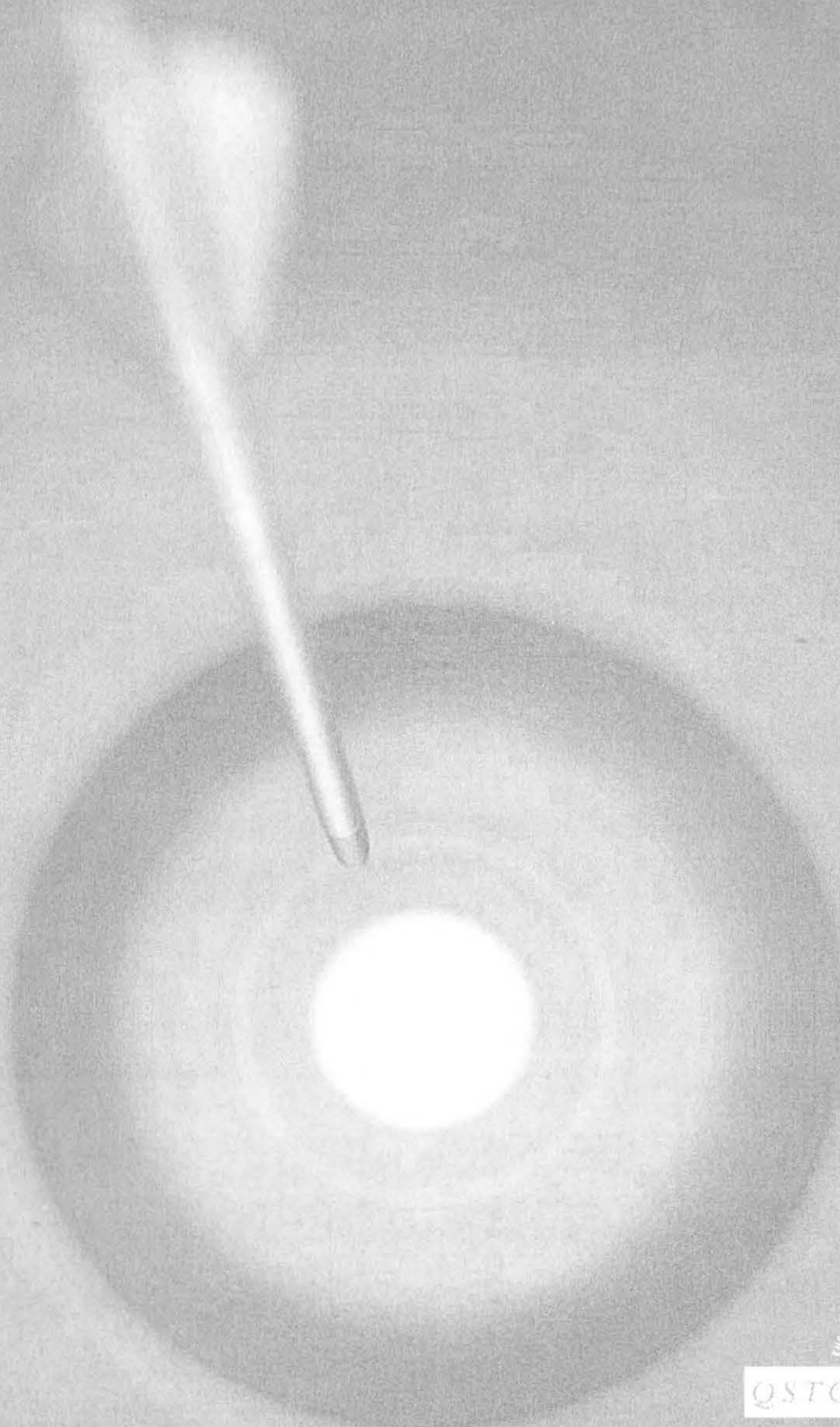
1.3.5 You identify any dips in performance against your standards and explain these to customers, together with action you are taking to put things right and prevent further dips in performance.

What counts as evidence

You need to show that you have identified any dips in performance, how you put the situation right and how you explained this to your customers. If this hasn't happened in your organisation yet, tell us how you would do this."

Self-Assessment Workbook

Measuring Success








Acknowledgements

Thanks must go to the steering group that helped produce the brief for this Workbook. In addition, QSTG would like to thank the following people, whose contribution of time and expertise in testing this Workbook made it possible: Barbara-Anne Walker (Self-Help Nottingham), Clive Martin (Clinks), Mohammed Kikambi (ACIA), Judy Denziloe (Action for Leisure), Karen Morris (NAYAA), Julie Marshall (Sunderland Support for Parents with Disabilities), Roxanne Persaud (Blind in Business), Annabel Sampson (Bournemouth CVS), Rose Thorn (Nottingham Black Initiative), David Dorman-Smith (Stockton Borough Voluntary Development Agency), Sam Matthews and Rowan Astbury (Charities Evaluation Services), Patricia Garcia (Refugee Council), Nicola Wade (East Midlands Voluntary Sector Forum), and Hazel Peacock. Finally, thanks go to Richard Allen of Systems 4 for developing the text of the Workbook.

QSTG

September 2000

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An Introduction to Measuring Success – A Self-Assessment Workbook

What is it? Why should you try it?

In recent years, the focus for voluntary and community organisations has shifted from whether to spend time managing quality to how to best manage quality. The need to demonstrate achievement and accountability to users, beneficiaries and other customer groups, donors, funders, statutory bodies and the general public has, in part, motivated this change.

To be able to move your organisation forwards, you need to know where it is now. You need to know where it works well (*Strengths*) and where it could work better (*Areas for Improvement*). When an organisation takes a snapshot of itself in this way, the process is often known as Self-Assessment. It is a way of checking that your organisation is ready and able to achieve its purpose.

This Workbook will help you to:

- recognise what you have achieved so far
- identify where you can make further improvements
- be clearer about how what you achieve is linked to how you go about achieving it.

Who is this Workbook for?

This Workbook is a simple tool designed as a first step for small organisations, departments of larger bodies, independent projects or individual managers. We recognise that universal solutions are often inappropriate and, after you've used this Workbook for the first time, you may want to adapt it to make it more suitable for you in terms of style, language etc. It is available both as a printed document and in a downloadable Word format from the NCVO website:

www.ncvo-vol.org.uk/SAworkbookWord

Where did the Self-Assessment Workbook come from?

This Workbook was developed by the Quality Standards Task Group (QSTG) at the NCVO (National Council for Voluntary Organisations) in consultation with a range of small voluntary organisations and umbrella groups. For more details about QSTG please see the inside back cover.

The approach employed in this Workbook is loosely based on the European Foundation for Quality Management's Excellence Model®, a framework that enables organisations to assess and diagnose their performance. A guide to the Model for the voluntary sector was published in May 2000 by QSTG. It is called *Excellence in View*. See page 20 for details of how to purchase this guide.

Rona Parsons
Policy Officer

Benefits of Self-Assessment:

- systematically examines everything the organisation does
- generates discussion that gets everyone involved in problem-solving, and sharing good practice and improvement ideas
- can improve communication and ease disagreements
- provides an opportunity to celebrate and build on achievements
- gives a focus for improvement
- offers no hiding place for problems
- is inclusive and democratic
- links what the organisation does with the results it achieves
- encourages organisations to look at the evidence they have that they are working well.

The Workbook is divided into four main parts.

Part 1 – Self-Assessment

This part is divided into seven sections that cover most of what your organisation does. You are asked to respond to three simple statements in each section and list your *Strengths* and *Areas for Improvement* (for help with this see page 2).

Part 2 – Prioritising Areas for Improvement

You may have produced a long list for Part 1. This section helps you to prioritise *Areas for Improvement*.

Part 3 – SMART Goals

This section helps you to turn your *Areas for Improvement* into goals for action.

Part 4 – Keeping track of SMART Goals

A tool for tracking progress towards your goals.

Completing the Workbook

You can do this on your own or in a group. Working on your own, it may take up to three hours. However, you do not need to finish it in one sitting. Working in a group will probably take longer but will also give you more thorough information and a better chance of long-term commitment to acting on the *Areas for Improvements* identified. If you decide to do the exercise as a group, it may still be worth asking people to work through it individually beforehand. You can then discuss the areas that are the source of the biggest differences in views or experience. Your group might include any or all of the following:

- trustees/committee members
- volunteers
- staff
- customers (for a definition see page 5)
- other relevant stakeholders.

Using the Self-Assessment Workbook

Some suggested ground rules¹

- Be open and honest.
- Do not undervalue your strengths or be over-critical of what you do.
- If something is not working well, avoid blame but look for causes.
- Do not hide or ignore opportunities to change and improve.
- Be prepared to challenge what you do now. Is there a better way?
- Be ready to learn from good ideas and practices.
- Talk and listen to others – and learn from them.
- Be constructive, think about moving forwards not going over past mistakes.
- Follow through the ideas that you come up with, convert opportunities into actions.
- Use this workbook as a guide not a prescription.
- Don't expect quick fixes. Self-assessment is about a long-term commitment to improvement.

Identifying *Strengths* and *Areas for Improvement*

A successful self-assessment will be judged by the improvements that are achieved as a result. Developing clear Action Plans to implement these improvements starts with identifying specific, agreed and usable *Strengths* and *Areas for Improvement*. Having thought about or discussed what these are, try to write them down in a way that will allow you to be very clear about what was meant when you come to look back at your list in a week, a month or even six months' time! Here are some examples.

A *Strength* is:

- something you do well

For example: 'We hold a user conference every year and use it to help us plan.'

- your measurable successes or achievements

For example: 'We have beaten our target for income from voluntary contributions every year for the last three years.'

An *Area for Improvement* is not just another way of saying 'weakness'. Since your Action Plans will be based on these, it is important to understand this. An *Area for Improvement* may be about:

- a gap in the way you do things at the moment

For example: 'We have a customer complaints system, but don't always train our staff and volunteers in how it works.'

Using the Self-Assessment Workbook

- little or no evidence of performance

For example: 'We believe we are answering more telephone enquiries, but we have no clear records and we did not set any targets in this area.'

- addressing poor performance

For example: 'Volunteer absence rates are increasing, but we don't know why.'

- building on a strength

For example: 'The Director and Fundraising Manager have regular quarterly review meetings to check that targets are on track and that activities are in line with overall plans. This does not happen systematically in other areas.'

- how you compare with others

For example: 'We have an 88% satisfaction rating for our information service. This looks good, but we haven't compared ourselves with other types of information providers and we're not sure our customers have anywhere else to go.'



1 The Whole Picture

This section looks at how well your organisation is performing overall.

What are the main aims of your organisation?

Where do you stand today? Put an **X** on the arrow for each statement

	NO EVIDENCE/ DON'T KNOW	PLANS DRAWN UP	ON THE WAY	MOST OF THE WAY	FULLY MET
Our organisation knows what it wants to achieve					
We are achieving everything we set out to achieve					
We collect information that tells us how well we are performing					

Think about where you put your crosses. What evidence did you base this on?

CHECK! Now you've thought about the evidence, do you need to review your **X**?

What are your *Strengths* in this area?

Areas for Improvement?

Any other issues arising from your thoughts or discussions? Collect them here.

2 Customers

Customers receive products and/or services from the organisation and could include service users, clients, beneficiaries, members, funders, the general public, other services, stakeholders and targeted groups. This section looks at what you are achieving for them.

Who are your customers or customer groups?

Where do you stand today? Put an **X** on the arrow for each statement

	NO EVIDENCE/ DON'T KNOW	PLANS DRAWN UP	ON THE WAY	MOST OF THE WAY	FULLY MET
All our customers are highly satisfied with everything we do (e.g. products/services)					
All our customers feel positive about our organisation and how it works. (e.g. service/staff)					
We collect customer feedback regularly and use it to make improvements					



Think about where you put your crosses. What evidence did you base this on?

CHECK! Now you've thought about the evidence, do you need to review your **X**?

What are your *Strengths* in this area?

Areas for Improvement?

Any other issues arising from your thoughts or discussions? Collect them here.

3 Leadership

Leaders set the future direction of the organisation, and engage people in improvement, development and change. This section looks at how well this works in your organisation.

Who are your leaders?

Where do you stand today? Put an **X on the arrow for each statement**

	NO EVIDENCE/ DON'T KNOW	PLANS DRAWN UP	ON THE WAY	MOST OF THE WAY	FULLY MET
Leaders are involved in developing the organisation's mission, values and direction					
Leaders make sure that everything is working in the way it should					
Leaders make time for, and recognise, people's (staff and volunteer's) creativity, innovation, effort and achievements					

Think about where you put your crosses. What evidence did you base this on?

CHECK! Now you've thought about the evidence, do you need to review your **X?**

What are your *Strengths* in this area?

Areas for Improvement?

Any other issues arising from your thoughts or discussions? Collect them here.

4 Making Plans

This section looks at how your organisation plans what it does.

Who is involved in your planning?

Where do you stand today? Put an **X on the arrow for each statement**

	NO EVIDENCE/ DON'T KNOW	PLANS DRAWN UP	ON THE WAY	MOST OF THE WAY	FULLY MET
We have a plan that sets out what we want to achieve and how we are going to do it					
Our plans are based on customers' expectations and needs					
We collect information that tells us whether or not, and how well, we are meeting our objectives					

Think about where you put your crosses. What evidence did you base this on?

CHECK! Now you've thought about the evidence, do you need to review your **X**?

What are your *Strengths* in this area?

Areas for Improvement?

Any other issues arising from your thoughts or discussions? Collect them here.

5 People

'People' includes anyone who works for your organisation in any capacity, e.g. full-time and part-time staff, volunteers, members, trustees, committee members, relief, project and temporary staff. This section looks at satisfaction and support.

Where do you stand today? Put an **X on the arrow for each statement**

	NO EVIDENCE/ DON'T KNOW	PLANS DRAWN UP	ON THE WAY	MOST OF THE WAY	FULLY MET
We have agreed key policies or standards for managing people and these are reviewed regularly					
We are confident that everyone has the skills, knowledge and support they need to deliver our goals					
People who work for this organisation feel valued, recognised and rewarded for what they do					

Think about where you put your crosses. What evidence did you base this on?

CHECK! Now you've thought about the evidence, do you need to review your **X?**

What are your *Strengths* in this area?

Areas for Improvement?

Any other issues arising from your thoughts or discussions? Collect them here.

6 Partnerships and Resources

This section looks at how you use your partnerships and resources to take you in the right direction. Partnerships could be with suppliers, purchasers, government organisations, other voluntary organisations, businesses etc. Resources include money, buildings, equipment, technology, information, materials etc, but not people as we looked at this ‘resource’ in the previous section.

Where do you stand today? Put an **X** on the arrow for each statement

	NO EVIDENCE/ DON'T KNOW	PLANS DRAWN UP	ON THE WAY	MOST OF THE WAY	FULLY MET
We know who our key external partners are and work with them to improve what we do					
We are confident that all our resources are used efficiently to take us in the direction we want to go					
We have all the information we need to do our work					

Think about where you put your crosses. What evidence did you base this on?

CHECK! Now you've thought about the evidence, do you need to review your **X**?



What are your *Strengths* in this area?

Areas for Improvement?

Any other issues arising from your thoughts or discussions? Collect them here.

7 Ways of Working

This section looks at how the ways of working in your organisation support customers' needs and your organisation's objectives (see page 5 to check how you have defined your customers). Ways of working can be divided into two broad areas: things to do with running the organisation, and things to do with delivering products or services.

Where do you stand today? Put an **X** on the arrow for each statement

	NO EVIDENCE/ DON'T KNOW	PLANS DRAWN UP	ON THE WAY	MOST OF THE WAY	FULLY MET
The way we work is designed to meet the needs and expectations of our customers in the most effective way					
We work closely with customers to improve our ways of working					
Our ways of working are reviewed regularly and improved by the relevant people					

Think about where you put your crosses. What evidence did you base this on?

CHECK! Now you've thought about the evidence, do you need to review your **X**?

What are your *Strengths* in this area?



Areas for Improvement?

Any other issues arising from your thoughts or discussions? Collect them here.

If you need more space to write down your responses, you can photocopy and use the Self-Assessment Continuation Sheet template on page 21.

You will now have worked through each of the seven sections in Part 1 and may well have identified around 20 or 30 *Areas for Improvement* – probably more if you worked in a group! However, most organisations/departments/projects find that it is best not to work on more than five or six improvements at once. This means that you will need to prioritise. To help you with this, we have identified eight factors you could take into account. Read through the list of statements below answering 'Yes' or 'No' for each of the *Areas for Improvement* you have identified. The more times you answer 'Yes' for any *Area for Improvement*, the higher its priority. On page 22 you will find a template that you can use to record the results of this exercise. Below we have given you an example of how this may work in practice.



Tip: There may also be some improvement ideas among the other issues you identified during your individual assessment and/or group discussion – remember to check the 'Any other issues...' boxes in sections 1 – 7 of Part 1.

How to prioritise

Work through each *Area for Improvement* you have identified asking the following questions.

- 1 **Survival** – Is it important to our survival?
- 2 **Success** – Is it critical to our success and direction?
- 3 **Customers** – Will it deliver significant improvements for customers?
- 4 **Urgency** – Does it need to be done now, or can we wait 12 months to start?
- 5 **Resources** – Have we got, or could we have, the resources to do it?
- 6 **People** – Have we got, or could we have, the people to do it?
- 7 **Risk** – Would ignoring it be very risky?
- 8 **Easy** – Would it be straightforward and undemanding to do?



Tip: There may be priorities of your own that you want to add to this list.

How to prioritise – a worked example

Area for Improvement No.1 – HIGH PRIORITY

Having worked through a self-assessment exercise, the staff of a small advice centre found that they knew very little about how their service users feel about the service they receive. As an *Area for Improvement* this generated a 'Yes' response six times for the following reasons.

Survival	The funders need information on user satisfaction as part of the advice centre's grant conditions. Being able to supply it is essential to the organisation's financial security.
Success	The organisation has a mission to deliver 'user-led' services. Information on users' satisfaction will tell it how well it is achieving this.

Urgency	The funders have made it clear that they need more detailed information about service user satisfaction in order to meet next year's grant conditions.
Resources	There are resources available to provide every service user with a feedback sheet.
People	Case workers will be able to ask service users to complete the feedback sheets and a member of the administrative staff could analyse them.
Risk	Ignoring the issue could result in loss of grant income.

Area for Improvement No.2 – LOWER PRIORITY

Another *Area for Improvement* was the need for more background information on other services available locally for the centre's service users. This gained four 'Yes' responses for the following reasons.

Success	Providing better information for service users would increase their satisfaction and make the centre more successful.
Customers	Some of the centre's key customer groups have limited resources and/or mobility. Being able to get this information from one source would be a significant improvement for them.
Resources	The centre does have a computer it could use for storing the information.
People	The case workers are expected to collect information on local services as part of their job.

This section shows you how to turn high-priority *Areas for Improvement* into clear, achievable goals. The SMART acronym (see below) can be used to make sure that goals are realistic. A template for creating a SMART goal is provided on page 23.

SMART stands for:

Specific

Measurable

Achievable

Resourced

Time-bound.

The SMART goals that follow on from the identification of high-priority *Areas for Improvement* simply need to describe the next steps that will take the organisation towards improvement. The aim is to achieve steady progress rather than take large strides.

Producing a SMART goal

- 1 Look at all your high-priority *Areas for Improvement*. Identify and agree what would be the next best step towards producing an improvement for each one. This is your goal.



- 2 Give your goal a specific objective – the particular thing you would expect to achieve (e.g. to increase the number of service volunteers). Then define what your target would be (e.g. how many volunteers and of what type).



- 3 Work out how you are going to be able to measure and assess (a) progress towards achieving your goal, and (b) if, and how well, the goal has been met.



- 4 Be certain that your goal can actually be achieved – if not, you may need to adjust the goal. The goal should stretch the organisation but still be achievable. Look at the risks involved. Be sure about your people's skills and commitment. Will the goal be owned by those expected to deliver it?



- 5 Ensure that the resources needed to deliver your goal are available. These might include: people, skills, money, equipment, buildings, information, materials etc. If you are unsure about the availability of the resources you need, you may need to adjust the goal.



- 6 Set a clear time frame within which you would expect the goal to be achieved.



- 7 Keep a record of the goal as part of your improvement plan.

SMART goals – a worked example

The advice centre we looked at in our first worked example (see pages 15 – 16) recognises that getting more service user feedback is a high priority. It has turned this *Area for Improvement* into a SMART goal.

The goal: To improve understanding of service users' satisfaction by producing an annual 10-point customer satisfaction questionnaire for service users that achieves at least a 20% return rate. The results will be analysed and used for service planning and improvements.

This is a SMART goal because it matches the following criteria.

Specific The goal has two specific actions:

- 1 to produce a questionnaire,
- 2 to analyse and use the results.

Measurable It will be possible to measure how many completed questionnaires are returned, and to identify the lessons learned.

Achievable The service has the contact details of all service users so that the questionnaire can reach everyone.

Resourced The part-time administrator has agreed to make it part of her work. It will be distributed with other regular information to service users. A local college will help with the construction of the questionnaire. Stamped addressed envelopes will be provided for returns. The administrator is trained in the use of, and has access to, questionnaire software. Money has been identified in the budget to cover the necessary costs.

Time-bound It will take place once a year and be reported to the management team three months after the questionnaires have been collected and analysed.



Progress on the achievement of SMART goals needs to be kept under review and it is worth setting up a log that will help you to do this. Below is a format you could use, or adapt, for each goal in order to record progress. There is a template on page 24.



Tip: Agree a 'goal owner' – this could be an individual or a small group. This person or group would not be solely responsible for delivering the goal but for checking development, co-ordinating regular reviews and reporting on progress.

Where a goal is slipping, you may need to take some 'corrective action'. This may involve reviewing and adjusting

- the goal and/or targets
- the timetable
- the resources available
- the input of staff and volunteers
- anything else you listed under the SMART characteristics
- anything else that affects your ability to deliver the goal.

Keeping track of SMART goals – a worked example

Goal owner:				
Description of goal: Improving understanding of service user satisfaction by producing an annual 10-point service user satisfaction questionnaire and analysing the results.				
Set review dates	1 <u>March</u>	2 June	3 Sept	4 Dec
1st Review target: Outline questionnaire produced				
On target: YES/NO (circle as applicable)				
If NO, why:	The case worker responsible for liaising with the local college to develop the first draft was unable to find time to do it. The corrective action agreed was as follows.			
Corrective action:	The production of the outline questionnaire will now be set as the target for the second review date in June. Subsequent targets will move forward accordingly.			
	Case Worker will transfer one of her cases to another team member to give her time to complete the task.			

This Workbook has been designed to give you a taste of the self-assessment process.

If you found the exercise useful and want to develop it further in your organisation there are a number of steps you could consider:

- talking to other organisations that use self-assessment
- attending training events on quality and self-assessment (contact your local CVS or NCVO for ideas)
- having people in your organisation trained as assessors on the EFQM Excellence Model® (courses available from Charities Evaluation Services)
- undertaking a more detailed self-assessment
- using an expert from outside the organisation or training an internal facilitator
- creating an internal quality group
- getting in touch with your regional excellence organisation to find out if there are any ways in which they could support you; the British Quality Foundation (BQF) will have details of your nearest group.

Below we have listed a number of sources and materials that you might find useful.

Organisations

British Quality Foundation Tel: 020 7654 5000 www.quality-foundation.co.uk

Charities Evaluation Services Tel: 020 7713 5722 enquiries@ces-vol.org.uk

Institute of Quality Assurance Tel: 020 7245 6722 www.iqa.org

Regional excellence organisations (contact the BQF, see above, for details)

Publications

Approaching Quality – a guide to the choices you could make, QSTG. Available from NCVO Hamilton House Mailings, 01536 399 016, £7.50 plus p&p

Assessing for Excellence – a practical guide for self-assessment, BQF. Available from NCVO Hamilton House Mailings, 01536 399 016, £7.80 plus p&p

Directory of NCVO-Approved Consultants, NCVO. Available from NCVO Hamilton House Mailings, 01536 399 016, £7.50 plus p&p

Excellence in View – a guide to the EFQM Excellence Model for the voluntary sector, QSTG. Available from NCVO Hamilton House Mailings, 01536 399 016, £10.00 plus p&p

Practical Quality Assurance System for Small Organisations 2nd edition, CES. Available from 020 7713 5722, £65.00 plus p&p (from October 2000)

The Big Picture, The Scottish Council for Voluntary Organisations. Available from 0131 556 3882, £66.00 (£45.00 to SCVO members/voluntary sector) plus p&p.

What is Self-Assessment? – your handbook, TQMI. Available from 01703 233201, £5.00 plus p&p

Useful websites

www.skillup.org – provides an online self-assessment tool

www.ncvo-vol.org.uk – National Council for Voluntary Organisations

www.nacvs.org.uk – National Association of Councils of Voluntary Service

Self-Assessment Continuation Sheet

Think about where you put your crosses. What evidence did you base this on?

CHECK! Now you've thought about the evidence, do you need to review your *X*?

What are your *Strengths* in this area?

Areas for Improvement?

Any other issues arising from your thoughts or discussions? Collect them here.

Prioritising Areas for Improvement – Record Sheet

To use this template:

- look back at the 'Areas for Improvement?' boxes in sections 1 – 7 of Part 1 (remember to check the 'Any other issues...' boxes too)
- Write your *Areas for Improvement* in the left-hand column below (make copies of this template first if you think you will need more than one).
- check each one against the eight priority factors listed below (see page 15 for descriptions of each factor)
- write the total number of 'Yes' responses in the right-hand column next to the relevant *Area for Improvement*.
- highlight or circle all those *Areas for Improvement* with more than five 'Yes' responses
- if you have highlighted more than six *Areas for Improvement*, you may need to look back at the priority factors and try to reprioritise them.

Priority factors

Survival?	Resources?
Success?	People?
Customers?	Risk?
Urgency?	Easy?

Areas for Improvement (list all)	No. of 'Yes' responses



Tip: If you are working in a group you may want to use a flipchart for this exercise.

Creating a SMART goal

Photocopy and use the templates below to turn your *Areas for Improvement* into SMART goals. Refer back to page 17... for help if you need to.

Priority Area for Improvement:

1

Goal:

2

Specific objective:

3

Measure/s neccessary

a) to check progress:

b) to know the goal has been achieved:

4

Achievable (factors):

5

Resources:

6

Time:

Priority Area for Improvement:

1

Goal:

2

Specific objective:

3

Measure/s neccessary

a) to check progress:

b) to know the goal has been achieved:

4

Achievable (factors):

5

Resources:

6

Time:

Template 4

Keeping track of SMART Goals

Goal owner:				
Description of goal:				
Set review dates	1	2	3	4
Review target:				
On target: YES/NO (circle as applicable)				
If NO, why:				
Corrective action:				

Goal owner:				
Description of goal:				
Set review dates	1	2	3	4
Review target:				
On target: YES/NO (circle as applicable)				
If NO, why:				
Corrective action:				

The Quality Standards Task Group

Background

The Quality Standards Task Group (QSTG) was established in September 1997 by NCVO, after wide consultation prompted by the Deakin Commission Report on the future of the voluntary sector.

The QSTG exists to enable voluntary organisations to find ways of improving their effectiveness by:

- raising awareness of the role that quality systems can play in any organisation
- providing information and advice to assist organisations in identifying the most appropriate routes to continuous improvement
- encouraging the development and applicability of methods to improve quality and quality standards
- working with partners to stimulate the development of sustainable help and support for organisations wishing to implement quality improvement
- working with funders to raise the awareness of the appropriate role that quality systems can play.

QSTG recommends the adoption of a set of Quality Principles for all voluntary organisations, which describe their fundamental beliefs and form the basis for their management ethos. Those listed below are seen as the minimum requirements to which each organisation may add its own personalised commitments.

A quality voluntary organisation:

- strives for continuous improvement in all that it does
- uses recognised standards or models as a means to continuous improvement and not as an end
- agrees requirements with stakeholders, and endeavours to meet or exceed these first time and every time
- promotes equality of opportunity through its internal and external conduct
- is accountable to stakeholders
- adds value to its end users and beneficiaries.

QSTG welcomes your comments and feedback on your experience of using this workbook. You can respond via email to QSTG@ncvo-vol.org.uk, fax us on 020 7520 2587 or write to the address on the back of this workbook.

Contact details:

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